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FOURTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1895.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FOURTH ANNUAL REPORT

TO THE

DIRECTORS AND STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1895.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING COMPANY, 309-319 NORTH THIRD STREET,
1895.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1894.

S. W. FORDYCE	ST. LOUIS, MO.
EDWIN GOULD	DOBBS FERRY, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
ROBERT MOORE	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.
WINSLOW S. PIERCE	NEW YORK, N. Y.

Annual Meeting of Stockholders for election of Directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED APRIL, 1895.

S. W. FORDYCE	St. Louis, Mo.
W. W. SELEY	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
J. A. EDSON	Tyler, Tex.
EDWIN GOULD	Dobbs Ferry, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED APRIL, 1895.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Irvington, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
T. F. MURCHISON	Athens, Tex.
J. P. DOUGLAS	Tyler, Tex.
J. A. EDSON	Tyler, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	*President*	ST. LOUIS, MO.
EDWIN GOULD	*Vice-President*	DOBBS FERRY, N. Y.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
J. A. EDSON	*General Superintendent*	TYLER, TEX.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
J. C. OTTESON	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Ass't Secretary and Treasurer*	ST. LOUIS, MO.
A. S. DODGE	*General Traffic Manager*	ST. LOUIS, MO.
R. S. DAVIS	*Assistant General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agt*	ST. LOUIS, MO.
H. G. KELLEY	*Resident Engineer*	TEXARKANA, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*President*	St. Louis, Mo.
EDWIN GOULD	*First Vice-President*	Dobbs Ferry, N. Y.
J. A. EDSON	*Second Vice-Pres't and Gen'l Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
J. C. OTTESON	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Resident Engineer*	Texarkana, Tex.
THOS. INGLIS	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Irvington, N. Y.
J. A. EDSON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Resident Engineer*	Texarkana, Tex.
THOS. INGLIS	*Master Mechanic*	Tyler, Tex.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 2, 1895.

To the Board of Directors and Stockholders of the St. Louis Southwestern Railway Company:

The Fourth Annual Report of this Company since its organization, showing the operations and the financial and physical condition of the property owned and controlled, for the fiscal year ended June 30th, 1895, is herewith respectfully submitted.

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MILEAGE OPERATED.

The mileage of the Company, on which all computations pertaining to earnings, expenses and traffic statistics are based, is shown in the following table:

MILEAGE OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main Track.	Side Track.	Total.
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—			
Main Line	418.0	100.3	518.3
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	8.2	59.6
Little Rock Branch	41.7	4.2	45.9
Magnolia Branch	6.4	.4	6.8
Shreveport Branch	59.5	7.4	66.9
Total	582.7	120.7	703.4
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS—			
Main Line	304.6	45.7	350.3
Sherman Branch	109.9	14.2	124.1
Ft. Worth Branch	97.2	13.8	111.0
Hillsboro Branch	40.0	4.2	44.2
Total	551.7	77.9	629.6
TYLER SOUTHEASTERN RAILWAY COMPANY—			
Main Line	88.6	8.2	96.8
ENTIRE SYSTEM—Total Mileage	1,223.0	206.8	1,429.8

The main track mileage remains the same as at the close of the previous fiscal year. During the fiscal year ended June 30th, 1895, there have been laid 7.78 miles of new side and passing tracks for railroad purposes, and 1.17 miles of new private and spur tracks for saw mills and other local industries, making a total of 8.95 miles of new side track. There have been taken up 6.95 miles of old side track, making a net increase of 2 miles in side track during the fiscal year ended June 30th, 1895.

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FINANCIAL EXHIBITS.

Comparative Financial Results from Operation—Entire System.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1895, compared with the previous fiscal year:

Entire System.	Year ended June 30, 1895.	Year ended June 30, 1894	Increase.	Decrease.
Gross Earnings	$5,217,174 57	$4,615,144 20	$602,030 37	—
Operating Expenses (including Betterments)	3,977,221 09	3,873,778 14	103,442 95	—
Net Earnings	$1,239,953 48	$ 741,366 06	$498,587 42	—
All Other Receipts	24,319 19	31,030 61	—	$ 6,711 42
Total Income over Operating Expenses	$1,264,272 67	$ 772,396 67	$491,876 00	—
Fixed and Other Payments charged against Income:				
Accrued Interest on First Mortgage Bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes Accrued	117,729 01	113,825 45	$ 3,903 56	—
Interest and Exchange	22,536 18	23,852 69	—	$ 1,316 51
All Other Payments	17,818 00	32,486 99	—	14,668 99
Total Charges against Income	$ 958,083 19	$ 970,165 13	—	$ 12 081 94
Deficit carried to debit of Profit and Loss Account	—	$ 197,768 46	—	—
Surplus Income carried to credit of Profit and Loss Account	$ 306,189 48	—	$503,957 94	—

During the fiscal year ended June 30th, 1895, this System, in common with nearly all railroads of the country, has had to contend with certain unfavorable conditions too well known for more than passing mention in this report, but which have adversely affected the general results of operation for the year. The strike of railway employes, inaugurated by members of the American Railway Union, was general throughout the country, commencing about the first of July, 1894, and continuing during the greater portion of that month; and, notwithstanding the fact, that the employes of this company were, as a rule, faithful and loyal to its interests, the prevalence of the strike on connecting lines had its adverse effects by causing a general stoppage of through traffic and a consequent decrease in local traffic. The great financial and industrial depression, now, it is hoped,

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happily becoming a matter of history, continued without perceptible abatement throughout many sections of the country during the early portion of the fiscal year ended June 30th, 1895; to which must be added the rate war to Southwestern Territory points, existing during the entire month of June, 1895, but now terminated and satisfactorily adjusted. Notwithstanding these adverse conditions, it is especially gratifying, and a matter of congratulation, that the gross and net results for the fiscal year ended June 30th, 1895, have largely exceeded those of any previous fiscal year in the history of the property.

As compared with the fiscal year ended June 30th, 1894, the increase in gross earnings is $602,030.37 or 13.04 per cent., and with a comparatively small increase in operating expenses of $103,442.95 or 2.67 per cent., the net earnings show an increase of $498,587.42 or 67.25 per cent.

After providing for interest and all other charges against income for the fiscal year ended June 30th, 1895, there was a surplus of $306,189.48, which was carried to the credit of Profit and Loss account; while for the fiscal year ended June 30th, 1894, there was a deficit of $197,768.46, the fiscal year just ended showing an increase of $503,957.94. Of the surplus income for the fiscal year ended June 30th, 1895, amounting to $306,189.48, there has been applied toward the reduction of Equipment Trust Obligations, $139,139.06; for net additions to Rolling Stock, $45,353.43, and the balance has been utilized mainly in reducing the Floating Debt, as shown June 30th, 1894, a large portion of which was caused by the deficit of $197,768.46 for the fiscal year ended June 30th, 1894. For full information showing all resources, and how the same have been appropriated, for the fiscal year ended June 30th, 1895, reference is here made to the Summary of Financial Transactions on page 29.

In view of the fact that the results for the fiscal year ended June 30th, 1893, were, up to the fiscal year ended June 30th, 1895, the best of any previous fiscal year in the history of the

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road, a comparison of the results of operation for these two years will be found interesting. The gross earnings for the fiscal year ended June 30th, 1895, show an increase of $101,094.32 or 1.98 per cent., operating expenses a decrease of $304,611.78 or 7.11 per cent., making an increase in net earnings of $405,706.10 or 48.63 per cent.

A better or more practical illustration of the benefits derived from the judicious policy pursued in fully maintaining and gradually improving the physical condition of the property, cannot be had than that furnished by a comparison of the results of operation from year to year as shown by tables on pages 78, 79 and 80 in the Appendix to this report, giving an epitome of Gross Earnings, Operating Expenses, Net Earnings and Betterments, by months, for the past seven years. There has been expended for betterments, and charged to operating expenses, during the fiscal year ended June 30th, 1895, the sum of $197,086.33, an increase over the amount of expenditures of a similar nature during the year ended June 30th, 1894, of $83,538.52, and during the year ended June 30th, 1893, of $14,421.27. An itemized statement of the amounts expended for betterments during the fiscal year ended June 30th, 1895, will be found in Exhibit A, on page 15, and a careful perusal of that statement is invited, showing, as it does, the character of such improvements and their necessity from the standpoint of safe and economical operation.

In the summaries and exhibits immediately following will be found a complete analysis of the Income Account for the current fiscal year, Profit and Loss Account and the Condensed Balance Sheet, and the changes that have taken place in the various accounts composing the Income Account, Profit and Loss Account and Condensed Balance Sheet, since the preceding fiscal year; showing, also, the Company's financial condition at the close of the fiscal year ended June 30th, 1895, as compared with the fiscal year ended June 30th, 1894.

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Income Account—Entire System.

Year Ended June 30th, 1895.

To Expenses (See Exhibit A)—			By Earnings (See Exhibit A)—		
Conducting Transportation	$1,442,068 10		Freight	$4,072,163 50	
Motive Power	973,396 40		Passenger	889,304 61	
Maintenance of Cars	293,440 52		Mail	119,327 98	
Maintenance of Way	1,078,975 11		Express	72,000 00	
General Expenses	189,340 96	$3,977,221 09	Telegraph	7,128 09	
			Miscellaneous	57,250 39	$5,217,174 57
Net Earnings	—	1,239,953 48			
		$5,217,174 57			$5,217,174 57
To Accrued Interest on Bonds (See Exhibit B)	—	$ 800,000 00			
Taxes Accrued " " C	—	117,729 01	By Net Earnings brought down	—	$1,239,953 48
Interest and Exchange " " D	—	22,536 18	Interest on Bonds Owned (See Exhibit F)	—	2,250 00
All Other Payments " " E	—	17,818 00	All Other Receipts (See Exhibit G)	—	22,069 19
Total Debits	—	$ 958,083 19			
Surplus Income for Fiscal Year ended June 30th, 1895, carried to credit of Profit and Loss Account	—	306,189 48			
		$1,264,272 67	Total Credits	—	$1,264,272 67

Profit and Loss Account—Entire System—June 30th, 1895.

To Balance to Debit of Profit and Loss Account at the beginning of Current Fiscal Year, July 1st, 1894	$ 1,948 99	By Surplus Income from operation for Fiscal Year ended June 30th, 1895, brought down	$ 306,189 48
Discount on First Mortgage Certificates and fractional scrip sold (face value, $176,302.30)	55,858 02	Surplus Securities received from the Reorganization Committee—face value	282,917 50
Balance to credit of Profit and Loss Account, June 30th, 1895	531,299 97		
	$ 589,106 98		$ 589,106 98

Note.—See Appendix for Income Account and Profit and Loss Account of each Company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1895.

ASSETS.			LIABILITIES.		
To Cost of Road and Equipment (See Exhibit H)	—	$65,422,369 05	By Capital Stock (See Exhibit N)—		
			Preferred	$20,000,000 00	
Construction Accounts . . . " " I	—	21,530 95	Common	16,500,000 00	$36,500,000 00
Real Estate . . . . . " " J	—	27,327 95	Bonds (See Exhibit O)—		
			First Mortgage (4 per cent.)	$20,000,000 00	
Advances to Sundry Agents (to be accounted for) . . " " K	—	16,085 66	Second Mortgage Income (4 per cent.)	8,000,000 00	28,000,000 00
Investments in Stocks and Bonds . . . . . " " L	—	633,115 20	Equipment Trust Obligations (See Exhibit P)	—	470,499 62
Current Assets, viz. . . . . " " M			Current Liabilities, viz. (See Exhibit M)—		
Cash	$156,209 21		Sundry Accounts Payable	$894,889 63	
Sundry Accounts Collectible	124,932 32		Interest on Bonds—Due and Accrued	173,793 33	1,068,682 96
Supplies on hand	251,412 57	532,554 10	Miscellaneous Accounts (See Exhibit Q)—	—	82,500 36
			Balance to credit of Profit and Loss Account, June 30th, 1895, as per detailed exhibit on preceding page	—	531,299 97
		$66,652,982 91			$66,652,982 91

NOTE.—See Appendix for Condensed Balance Sheet of each Company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
Earnings—				
Freight	$4,072,163 50	$3,498,158 58	$574,004 92	—
Passenger—Local	581,115 35	558,858 62	22,256 73	—
Passenger—Foreign	308,189 26	324,550 06	—	$ 16,360 80
Mail	119,327 98	103,393 10	15,934 88	—
Express	72,000 00	72,000 00	—	—
Telegraph	7,128 09	5,343 42	1,784 67	—
Miscellaneous	57,250 39	52,840 42	4,409 97	—
Total	$5,217,174 57	$4,615,144 20	$602,030 37	—
Earnings per Mile of Road	$ 4,265 88	$ 3,773 63	$ 492 25	—
Expenses (Including Betterments)				
Conducting Transportation	$1,442,068 10	$1,320,526 21	$121,541 89	—
Motive Power	973,396 40	940,702 41	32,693 99	—
Maintenance of Cars	293,440 52	331,602 29	—	$ 38,161 77
Maintenance of Way	1,078,975 11	1,035,035 00	43,940 11	—
General Expenses	189,340 96	245,912 23	—	56,571 27
Total	$3,977,221 09	$3,873,778 14	$103,442 95	—
Expenses per Mile of Road	$ 3,252 02	$ 3,167 44	$ 84 58	—
Per cent. of Expenses to Earnings	76.23	83.94	—	7.71
Net Earnings	$1,239,953 48	$ 741,366 06	$498,587 42	—
Per Mile of Road	$ 1,013 86	$ 606 19	$ 407 67	—
Per cent. of Total Earnings	23.77	16.06	7.71	—
Expenses and Taxes—				
Expenses	$3,977,221 09	$3,873,778 14	$103,442 95	—
Taxes Accrued	117,729 01	113,825 45	3,903 56	—
Total	$4,094,950 10	$3,987,603 59	$107,346 51	—
Per Mile of Road	$ 3,348 28	$ 3,260 51	$ 87 77	—
Per cent. of Total Earnings	78.49	86.40	—	7.91
Surplus after paying Taxes	$1,122,224 47	$ 627,540 61	$494,683 86	—
Per Mile of Road	$ 917 60	$ 513 12	$ 404 48	—

The percentages of increase and decrease in earnings, expenses and taxes, according to the general classified headings as shown in the foregoing comparative statement, are as follows:

Freight Earnings	Increase	16.41	per cent.
Passenger Earnings, local	"	3.98	"
Passenger Earnings, foreign	Decrease	5.04	"
Passenger Earnings, total	Increase	0.67	"

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Mail Earnings	Increase	15.41	per cent.
Telegraph Earnings	"	33.40	"
Miscellaneous Earnings	"	8.35	"
Total Earnings	"	13.04	"
Conducting Transportation	"	9.20	"
Motive Power	"	3.48	"
Maintenance of Cars	Decrease	11.51	"
Maintenance of Way	Increase	4.25	"
General Expenses	Decrease	23.00	"
Total Expenses (including Betterments)	Increase	2.67	"
Net Earnings	"	67.25	"
Expenses and Taxes	"	2.69	"
Surplus after paying Taxes	"	78.83	"

BETTERMENTS,

INCLUDED IN THE FOREGOING STATEMENT OF OPERATING EXPENSES.

ENTIRE SYSTEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.
Conducting Transportation	$17,878 75	$ 3,087 61	$14,791 14
Motive Power	32,650 62	2,623 47	30,027 15
Maintenance of Cars	21,103 23	15,316 30	5,786 93
Maintenance of Way	125,453 73	92,520 43	32,933 30
Total	$197,086 33	$113,547 81	$83,538 52

The several items composing the expenditure for Betterments during the year ended June 30th, 1895, are as follows:

New Station Houses—		
Depot building, Stuttgart, Ark.	$1,038 36	
Depot building, Pine Bluff, Ark.	8,933 86	
New eating house, Pine Bluff, Ark.	2,511 65	
Transfer shed, Texarkana, Tex. (cost in excess of insurance collected on old shed destroyed by fire)	183 15	
Joint Union Depot with Texas Midland R'y at Greenville, Tex., one-half cost (unfinished)	2,198 84	
New closets, and sewer system, Passenger station, Tyler, Tex.	837 48	$15,703 34
Amount carried forward		$15,703 34

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Amount brought forward		$15,703 34
New Track Scales at Shreveport, La.		486 32
Additional Stock Pens—		
Idalia, Mo.	$ 129 93	
LaForge, Mo.	136 03	
Clarendon, Ark.	113 24	
Humphrey, Ark.	131 23	
Camden, Ark.	123 10	
Plain Dealing, La.	115 91	
Malakoff, Tex.	156 11	
Waco, Tex.	783 54	1,689 09
New sand house, Jonesboro, Ark.		364 95
Fuel Stations—		
New coal chutes, Jonesboro, Ark.	$3,316 43	
New coal chutes, Brinkley, Ark.	2,440 42	5,756 85
Improvements to Pine Bluff Shops and Yard—		
New coal storage platform	$ 434 65	
New machinery for shops	3,325 85	
Additional yard track	1,137 42	
New material skidways	95 86	
Clearing up new yard	445 11	
Engineering expenses	35 32	5,474 21
Improvements to Texarkana Shops and Shop Grounds—(Unfinished)		
New round house and pits	$3,219 10	
New oil house	331 71	
New motive power storeroom	679 26	
New coal chute and incline	46 88	
New machinery for shops	3,583 50	
New water station	297 61	
Grading and laying tracks	3,685 11	11,843 17

NOTE—There was purchased during the fiscal year and charged to "Cost of Road and Equipment" (see page 22) additional land for Shop and Motive Power yard purposes at a cost of $4,380.00 making total expenditures for improvements under this heading to June 30th, 1895, $16,223.17.

Raising track to T. & F. S. R'y Crossing, Texarkana, Tex.—(Unfinished)		2,442 61
Amount carried forward		$43,760 54

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Amount brought forward		$43,760 54
Improvements at Commerce, Texas—(Unfinished)		
New office and storeroom	$ 658 45	
New round house.	3,212 74	
New cinder pit	235 33	
New machinery for shops.	5,574 74	
Grading yard and cost of additional tracks .	8,314 90	17,996 16
Cost of applying air brakes to locomotives . .		4,929 00
Cost of applying air brakes, automatic couplers and American continuous attachments to freight cars		8,752 35
Cost of converting one mail and express and two baggage cars into railway post-office cars		3,097 60
Cost of equipping three railway post-office cars with Harrison bag racks, gas and Baker heaters		4,107 06
Cost of applying second water closet and cooler to coaches		212 00
Expenses incident to Change of Gauge T. S. E. R'y—(Unfinished)		
Changing freight cars from narrow to standard gauge	$4,934 22	
Changing hand cars from narrow to standard gauge	315 43	
Widening and preparing cuts and embankments	10,649 02	
Spikes—track	1,860 00	17,758 67
Ballasting to raise Track above Overflow—		
Bird's Point section on main line in Mo., M. P. 8 to 10	$ 122 20	
Wabbaseca Bottom, on main line in Ark., M. P. 238 to 246 (unfinished)	6,326 79	6,448 99
Ballasting with rock on miles 663 and 664, main line, Texas (unfinished)		1,313 15
New Bridges, including cost of Ballasting and Widening Approaches—		
Spring Creek, mile post C. 589.6, Texas, Ft. Worth section	$5,877 12	
Rowlett's Creek, mile post C. 584.5, Texas, Ft. Worth section	6,234 85	
Amounts carried forward	$12,111 97	$108,375 52

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Amounts brought forward	$12,111 97	$108,375 52
White Rock Creek, mile post C. 596.1, Texas, Ft. Worth section	5,322 97	
East Fork Trinity River, mile post C. 574.2, Texas, Ft. Worth section	6,301 04	23,735 98
Widening embankments and raising approaches to the iron bridge over Richland Creek, Hillsboro section, Texas		1,222 55
New standard tile culverts		6,115 77
Trestles—		
Excavating under trestles, Little Rock section, Arkansas division	$ 192 42	
Filling trestles 630 and 631 on Corkscrew Hill, main line, Arkansas division	223 52	
Excavating under trestle No. 985, Red River Bottom, main line, Arkansas division, to increase waterway	288 60	
Filling trestles 889, 890 and 894, main line, Arkansas division, with earth	33 00	
Raising and widening approaches to trestle No. 28, Sabine Bottom, mile post C. 550, Texas, Ft. Worth section	778 18	
Raising approaches to trestle No. 120, Elm Fork Bottom, mile post C. 604, Texas, Ft. Worth section	3,217 84	4,733 56
Improvements to Big Creek Bottom between M. P. 280 and 284, main line, Arkansas Division—(Unfinished)		
Ballasting	$ 239 55	
Grading and raising track	3,006 03	
Engineering expenses	141 47	3,387 05
Reducing grade line on Thornton Hill, M. P. 309 and 312, main line, Arkansas division (unfinished)		9,973 35
Improving grade line, Bodcaw Bottom, M. P. 386, main line, Arkansas division		701 90
Changing tracks to reach new depot at Pine Bluff, Ark		4,133 01
Yard tracks and transfer facilities with Texas Midland R'y at Greenville, Texas		459 38
Cost of building eight cinder cars		1,824 48
New standard fence		14,994 09
Raising track to take out sag between M. P. 711 and 712, main line, Texas		248 02
Amount carried forward		$179,904 66

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Amount brought forward		$179,904 66
New section house, Zent, Ark		199 15
New watchman's house, Sulphur River, M. P. 454, main line, Texas		214 50
Cost of erecting exclusive railroad telegraph wire, Mt. Pleasant, Texas, to Commerce, Texas		828 63
New Saw Mill Spurs, Private and Side Tracks—		
Ties	$2,078 62	
Frogs	676 16	
Steel rails	7,276 90	
Spikes	443 43	
Splices, etc.	379 22	
Switch fixtures	928 35	
Labor putting in	2,923 10	14,705 78

NOTE—The apparent disparity between the cost of ties and the cost of labor putting in track is explained by the fact that cross ties used in private side tracks for lumber and other industries, are, as a rule, furnished by the proprietors of such industries.

Engineering Expenses—		
Cost of special surveys		1,233 61
Total		$197,086 33

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

The semi-annual interest on First Mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 8, due November 1st, 1894	$400,000 00
Coupon No. 9, due May 1st, 1895	400,000 00
Total	$800,000 00

EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought

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and used in paying taxes. The difference between the face value and cost of warrants to the Company is credited to "Taxes Accrued."

Taxes accrued, fiscal year ended June 30th, 1895	$117,729 01
Taxes accrued, fiscal year ended June 30th, 1894	113,825 45
Increase	$ 3,903 56

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1894.	Year 1893.	Increase.	Decrease.
Missouri	$ 13,482 52	$ 11,323 61	$2,158 91	—
Arkansas	51,018 62	49,013 44	2,005 18	—
Louisiana	4,697 91	5,343 75	—	$645 84
Texas	50,006 82	49,409 07	597 75	—
Total taxes paid—Calendar Year .	$119,205 87	$115,089 87	$4,116 00	—

EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

This account covers the net amount of expenditures for interest on Floating Debt.

Total for year ended June 30th, 1895	$22,536 18
Total for year ended June 30th, 1894	23,852 69
Decrease	$ 1,316 51

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EXHIBIT E.

All Other Payments—Entire System.

Description.	Year ended June 30, 1895.	Year ended June 30, 1894.	Decrease
Miscellaneous Expenses—New York Office—Account Reorganization, Etc.	—	$ 1,479 80	$1,479 80
Equipment Trust Expenses, St. Louis Southwestern Car Trust—Series A	$16,291 65	17,912 00	1,620 35
Adjustment of Sundry Accounts	941 07	9,724 98	8,783 91
Receivers' Liabilities Paid	585 28	3,370 21	2,784 93
Total	$17,818 00	$32,486 99	$14,668 99

EXHIBIT F.

Interest on Bonds Owned—Entire System.

Received during year ended June 30th, 1895, interest on $25,000 Paragould Southeastern Railway First Mortgage Bonds, at 6 per cent., from January 1st, 1894, to June 30th, 1895—18 months	$2,250 00
Received during year ended June 30th, 1894, interest on $25,000 Paragould Southeastern Railway First Mortgage Bonds, at 6 per cent., from July 1st, 1893, to December 31st, 1893—6 months	750 00
Increase	$1,500 00

EXHIBIT G.

All other Receipts—Entire System.

Description.	Year ended June 30, 1895.	Year ended June 30. 1894.	Decrease.
Interest on First Mortgage Certificates of the St. Louis Southwestern Ry. Co., in Treasury	$ 19,686 66	$ 20,000 00	$ 313 34
Adjustment of Sundry Accounts, etc.	2,382 53	4,736 21	2,353 68
Surplus Reorganization Funds	—	5,544 40	5,544 40
Total	$ 22,069 19	$ 30,280 61	$ 8,211 42

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EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1895.

Changes during year ended June 30th, 1895—			
RIGHT OF WAY SETTLEMENTS			$1,831 62
ADDITIONAL LAND PURCHASED—			
For new motive power yard at Texarkana		$ 4,380 00	
For depot purposes at Athens, Tex.		678 50	
For stock pens at Waco, Tex.		1,000 00	
For stock pens at Mt. Pleasant, Tex.		50 00	6,108 50
EQUIPMENT—			
Cars Purchased—			
Two new chair cars, and three new coaches		$24,440 00	
Cars Built—			
One new mail car	$ 2,362 80		
One new incline car	405 16		
One new furniture car	654 11		
Fifty-three new box cars	24,622 60	28,044 67	
Equipment Replacement Fund—			
Value of destroyed cars originally credited to Equipment Account (and charged to Operating Expenses) when destroyed, transferred to credit of "Equipment Replacement Fund" for rebuilding purposes—			
Two combination cars	$ 6,775 00		
Three baggage cars	6,125 00		
One coach	1,770 00		
Thirty stock cars	14,900 00		
Six box cars	2,855 00		
Three flat cars	775 00	33,200 00	
		$85,684 67	
Less Equipment Destroyed and Sold—			
Cars destroyed during year that will not be rebuilt (loss charged to Operating Expenses monthly as cars were destroyed)	$3,456 24		
One flat car sold	175 00		
One standard gauge engine sold	3,500 00	7,131 24	
Net addition account of Equipment			78,553 43
Total net additions for the year			$ 86,493 55
Total cost to July 1st, 1894			65,335,875 50
Total Cost of Road and Equipment to June 30th, 1895			$65,422,369 05

When cars are destroyed which are intended to be rebuilt, the amount of net loss and depreciation at the time of destruction is charged to Operating Expenses and the value of the car according to Master Car Builders' rules is credited to a replacement fund styled

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"Equipment Replacement Fund," then, when such cars are rebuilt, the cost of same to the extent of the amount originally credited, is charged against this fund. This explains the item of $33,200.00 as shown in the foregoing exhibit and is the value of certain cars destroyed that was credited to Equipment Account instead of Equipment Replacement Fund, on the supposition that such cars would not be rebuilt. It has since been decided to credit the value of these cars to Equipment Replacement Fund to be applied to cost of rebuilding cars, in line with the policy adopted by the management of maintaining in good condition the Company's full quota of equipment.

EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
	$21,530 95

No changes have been made in the above accounts during the fiscal year ended June 30th, 1895.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes)	$27,327 95

No change has been made in the above account during the fiscal year ended June 30th, 1895.

EXHIBIT K.

ADVANCES TO SUNDRY AGENTS (TO BE ACCOUNTED FOR)—ENTIRE SYSTEM.

Paid Claims Unadjusted—	
Debit Balance June 30th, 1895	$16,085 66
Debit Balance June 30th, 1894	18,741 91
Decrease	$ 2,656 25

This account is composed of loss, damage and overcharge claims, paid by agents of this Company (in protection of bills of

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lading, etc.), which are charged to this account, in suspense, while such claims are in process of investigation and adjustment. A large proportion of the amount will be collected back from other lines.

EXHIBIT L.

Investments in Stocks and Bonds—Entire System.

Class of Security.	June 30, 1895.		June 30, 1894.	
	Face Value.	Cost to Co.	Face Value.	Cost to Co.
Capital Stock, Paragould Southeastern Ry. Co.	$ 25,000 00	—	$ 25,000 00	—
First Mortgage Bonds, Paragould Southeastern Ry. Co	25,000 00	$ 25,000 00	25,000 00	$ 25,000 00
First Mortgage Bonds, Gulf & Ship Island Ry	15,000 00	1,500 00	15,000 00	1,500 00
Capital Stock, St. L. S. W. Ry. Co.—Preferred	106,350 00	106,350 00	—	—
Capital Stock, St. L. S. W. Ry. Co.—Common	143,900 00	143,900 00	—	—
First Mortgage Certificates, St. L. S. W. Ry. Co.	325,000 00	325,000 00	500,000 00	500,000 00
First Mortgage Certificates, St. L. S. W. Ry. Co.—fractional scrip	137 70	137 70	—	—
Second Mortgage Certificates, St. L. S. W. Ry. Co.	31,000 00	31,000 00	—	—
Second Mortgage Certificates, St. L. S. W. Ry. Co.—fractional scrip	227 50	227 50	—	—
Totals	$671,615 20	$633,115 20	$565,000 00	$526,500 00

As mentioned on page 21, of the annual report for the fiscal year ended June 30th, 1894, the Company had in its treasury securities (bonds and stocks of its own issue), representing the surplus, after providing for the old securities deposited under the plan of reorganization, which had not, at that date—June 30th, 1894—been formally taken up on the books as assets. In September, 1894, these securities were taken up on the books of the Company at their face value, and the amount credited to Profit and Loss Account (see page 12, of this report), as follows:

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Preferred Stock, 1063½ shares @ $100	$106,350 00
Common Stock, 1439 shares @ $100	143,900 00
First Mortgage Certificates, 1 @ $1,000	1,000 00
First Mortgage Certificates (fractional scrip)	440 00
Second Mortgage Certificates, 31 @ $1,000	31,000 00
Second Mortgage Certificates (fractional scrip)	227 50
Total	$282,917 50

Of the securities held in its treasury, the Company disposed of the following during the fiscal year ended June 30th, 1895:

First Mortgage Certificates, St. L. S. W. Ry. Co.— 176 @ $1,000, face value	$176,000 00	
First Mortgage Certificates, St. L. S. W. Ry. Co.— fractional scrip, face value	302 30	176,302 30
Net increase in amount of "Investments in Stocks and Bonds," for year ended June 30th, 1895		$106,615 20

On the total amount of securities disposed of during the year, $176,302.30, there was a discount of $55,858.02, which was charged to Profit and Loss Account, as shown on page 12 of this report. The net amount realized from the sale of such securities was $120,444.28 or 68.32 per cent. of their face value.

Of the net proceeds realized from sale of these securities, $94,500.00 was applied toward reducing the amount of $270,000.00 due the Estate of Jay Gould, for money borrowed soon after the road was turned over to this Company, in order to carry on the necessary improvements begun by the Reorganization Committee. The balance due the Estate of Jay Gould, June 30th, 1895, is $175,500.00, as shown in the Floating Debt statement, page 26 of this report.

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EXHIBIT M.

FLOATING DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1895.

CURRENT LIABILITIES.		
SUNDRY ACCOUNTS PAYABLE—		
Audited vouchers and pay rolls prior to June 1st, 1895		$294,194 67
Audited vouchers and pay rolls, June, 1895, not payable until July 20th, 1895		350,992 10
Bills Payable—		
Estate of Jay Gould—Balance due on demand note, dated April 20th, 1892	$175,500 00	
St. Charles Car Co., due December 10th, 1895	15,000 00	
C. C. Hustead, due on delivery of deed	130 65	190,630 65
Taxes, Year 1895 (accrued, not due until 1896)		59,072 21
		$894,889 63
INTEREST ON BONDS—		
Due and unpaid (unpresented coupons—money to pay on deposit with Central Trust Co. of New York)	$ 40,460 00	
Accrued, not due until November 1st, 1895	133,333 33	173,793 33
Total Current Liabilities		$1,068,682 96
CURRENT ASSETS.		
CASH—		
In hands of Treasurer	$ 43,347 52	
Remittances in transit from Agents and Conductors	65,403 82	
In hands of Paymaster	6,997 87	
Central Trust Co. of New York—Coupon Account	40,460 00	$156,209 21
SUNDRY ACCOUNTS COLLECTIBLE—		
Station Agents and Conductors	$ 46,710 17	
Bills Receivable	1,513 84	
U. S. Post Office Department	29,920 85	
Pacific Express Co.	6,000 00	
Superintendent of Telegraph	327 77	
Individuals and Companies—Open Accounts	40,459 69	124,932 32
SUPPLIES AND MATERIAL ON HAND—		
Shop Supplies	$118,165 46	
Fuel	23,498 14	
Bridge and Building Material	53,629 04	
Cross Ties	22,465 88	
Steel Rails—New	11,676 67	
Second-hand Rails	15,763 32	
Stationery Stock	6,214 06	251,412 57
Total Current Assets		$532,554 10
Floating Debt, or balance of Current Liabilities in excess of Current Assets		$536,128 86
In addition to "Current Assets" above mentioned, the Company has other available assets, consisting of investments in stocks and bonds, as per Exhibit L. Based on quotations of the N. Y. Stock Exchange, June 28th, 1895, for such as are listed, and estimating the others at a low valuation, the total market value of these securities is, approximately		326,747 26
Net Floating Debt after deducting market value of investments		$209,381 60

COMPARATIVE SUMMARY OF FLOATING DEBT—	June 30th, 1895.	June 30th, 1894.
Current Liabilities	$1,068,682 96	$1,290,434 33
Current Assets	532,554 10	495,697 67
Floating Debt	$ 536,128 86	$ 794,736 66
Less market value of investments in stocks and bonds	326,747 26	317,935 30
Net Floating Debt	$ 209,381 60	$ 476,801 36

Included in "Current Liabilities," in the foregoing statement, are the following items due on various dates subsequent to June 30th, 1895:

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Audited vouchers and pay rolls, June, 1895, not payable until July 20th, 1895	$350,992 10
Bills Payable—not due until December 10th, 1895	15,000 00
Taxes Year 1895 (accrued, not due until 1896)	59,072 21
Interest on Bonds—accrued, not due until November 1st, 1895	133,333 33
Total	$558,397 64

Compared with June 30th, 1894, the Floating Debt, or balance of Current Liabilities in excess of Current Assets, has been reduced $258,607.80 during the fiscal year ended June 30th, 1895, as follows:

Decrease of Total Current Liabilities	$221,751 37
Increase of Total Current Assets	36,856 43
Net decrease in Floating Debt	$258,607 80

After taking into consideration outstanding notes not due, taxes and interest accrued but not due, and the market value of investments in stocks and bonds, it will be seen from the following summary that the Company has, practically, no floating debt.

Floating Debt, or balance of Current Liabilities in excess of Current Assets, as shown in Exhibit M.		$536,128 86
From which deduct—		
Bills Payable, not due until Dec. 10th, 1895	$ 15,000 00	
Taxes 1895—accrued, not due until 1896	59,072 21	
Interest on Bonds—accrued, not due until November 1st, 1895	133,333 33	
Market value of other available assets, consisting of investments in stocks and bonds, June 30th, 1895	326,747 26	534,152 80
Actual net Floating Debt, June 30th, 1895, (including in the Current Liabilities, audited vouchers and pay rolls, June, 1895, not payable until July 20th, 1895)		$ 1,976 06

EXHIBIT N.

Capital Stock—Entire System.

June 30th, 1895.

Description.	Number of Shares Authorized.	Par Value of Shares.	Total Par Value Authorized.	Total Amount Issued and Outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Totals	365,000	—	$36,500,000 00	$36,500,000 00

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EXHIBIT O.

BONDS—ENTIRE SYSTEM.

JUNE 30TH, 1895.

DESCRIPTION.	Time.		Amount of Authorized Issue.	Amount Issued.	Amount Outstanding.	Interest.	
	Date of Issue.	When Due.				Rate.	When Payable.
First Mortgage	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second Mortgage, Income,	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Totals .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

* If earned.

EXHIBIT P.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1895.

Total outstanding (not due) June 30th, 1894	$609,638 68
Deduct—	
Notes matured during year ended June 30th, 1895, that were paid as they fell due, amounting to	139,139 06
Total outstanding (not due) June 30th, 1895, shown in detail below	$470,499 62

WHEN DUE.	St. L. Ark. & Tex. Ry.		St. L. S. W. Ry.	Total.
	Series "A 1."	Series "A 37."	Series "A."	
Due during year ending June 30th, 1896	$ 60,486 66	$ 62,325 16	$ 25,000 00	$ 147,811 82
" " " " " 30th, 1897	20,984 90	26,145 16	25,000 00	72,130 06
" " " " " 30th, 1898	—	77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	—	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	—	25,000 00	25,000 00
Totals	$81,471 56	$189,028 06	$200,000 00	$470,499 62
Average annual payment for eight years	—	—	—	$ 58,812 45

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EXHIBIT Q.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

JUNE 30TH, 1895.

CREDIT BALANCES—		
Equipment Replacement Fund	$79,505 00	
Donated Town Lot Sales	4,955 00	
Hospital Fund	1,398 26	$85,858 26
DEBIT BALANCES—		
Insurance Account (premium paid but not accrued)		3,357 90
Credit Balance June 30th, 1895, as shown in Condensed Balance Sheet		$82,500 36

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1895.

The following statement, considered in connection with the foregoing financial statements, furnishes in a condensed form an analysis of all resources (showing also how the same were appropriated) during the year ended June 30th, 1895:

RESOURCES.		
Cash balance July 1st, 1894		$ 24,015 18
Surplus from operation for fiscal year ended June 30th, 1895, after providing for interest on bonds and other payments charged against income	$306,189 48	
Surplus St. L. S. W. Ry. securities received from Reorganization Committee—face value	282,917 50	
Sale of St. L. S. W. Ry. securities (First M't'ge Certificates)—face value	176,302 30	
Decrease of Advances to Sundry Agents (to be accounted for)	2,656 25	
Increase of Miscellaneous Accounts—credit balance	54,950 40	823,015 93
		$847,031 11
APPROPRIATION OF RESOURCES.		
Equipment Trust Obligations matured during year ended June 30th, 1895, paid as they fell due	$139,139 06	
Increase of Cost of Road and Equipment as shown in Exhibit H	86,493 55	
Increase of Investments in Stock and Bonds	282,917 50	
Discount on St. L. S. W. Ry. securities (First M't'ge Certificates) sold	55,858 02	
Increase of Current Assets (exclusive of cash in hands of Treasurer)	17,524 09	
Decrease of Current Liabilities	221,751 37	803,683 59
Cash balance June 30th, 1895		$ 43,347 52

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TRAFFIC.

Freight Traffic.

Tonnage and Revenue—Entire System.

Item.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease	Per Cent.
No. of Tons carried	1,470,257	1,328,377	141,880	10.68	—	—
No. of Tons carried one mile	309,245,333	282,162,773	27,082,560	9.60	—	—
Average Distance haul of one Ton (miles)	210.33	212.41	—	—	2.08	.98
*Total Freight Earnings . .	$4,072,163.50	$3,498,158.58	$574,004.92	16.41	—	—
*Average Earnings per Ton .	$2.7697	$2.6334	$0.1363	5.18	—	—
*Average Earnings per Ton per mile	$0.0132	$0.0124	$0.0008	6.45	—	—

*Actual Earnings derived from hauling Freight, not including any portion of Miscellaneous Earnings.

Attention is directed to the fact that while, for the fiscal year ended June 30th, 1895, the total tonnage transported increased 141,880 tons, or 10.68 per cent., and the freight earnings therefrom increased $574,004.92, or 16.41 per cent., the freight train mileage increased but 81,343 miles, or 4.32 per cent.

The average earnings per ton increased $0.1363, or 5.18 per cent., and the average earnings per ton per mile $0.0008, or 6.45 per cent., for the fiscal year ended June 30th, 1895, over the preceding year. These increased averages are attributable to the large increase in the transportation of high class freight during the fiscal year, notably cotton, and to the steady maintenance of rates which were undisturbed up to June, 1895, when a rate war on traffic to Texas points was inaugurated, which lasted during the entire month.

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The following table furnishes a comprehensive analysis of the total tonnage transported over the entire System, during the year ended June 30th, 1895, compared with the previous fiscal year. It shows the number of tons of each commodity hauled, the increase and decrease in tonnage of the various commodities, the relative percentage of each commodity to the total tonnage of all commodities, and the relative percentage of the increased and decreased tonnage of each commodity to the total tonnage of each commodity:

Classification of Tonnage—Entire System.

Total Tonnage Transported.

Commodities.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	698,179	47.49	663,729	49.97	34,450	5.19	—	—
Cotton	163,022	11.09	101,994	7.68	61,028	59.83	—	—
Cotton Seed Products	106,456	7.24	74,968	5.64	31,488	42.00	—	—
Grain	61,378	4.17	73,564	5.54	—	—	12,186	16.57
Flour	57,653	3.92	45,229	3.40	12,424	27.47	—	—
Other Mill Products	21,454	1.46	14,833	1.12	6,621	44.64	—	—
Hay	28,989	1.97	25,516	1.92	3,473	13.61	—	—
Tobacco	373	.03	599	.04	—	—	226	37.73
Vegetables	15,449	1.05	11,679	.88	3,770	32.28	—	—
Live Stock	51,204	3.48	36,160	2.72	15,044	41.60	—	—
Bacon	10,647	.72	8,614	.65	2,033	23.60	—	—
Merchandise	64,504	4.39	60,997	4.59	3,507	5.75	—	—
Coal (includ'g Charcoal)	47,246	3.21	89,601	6.75	—	—	42,355	47.27
Oil	13,220	.90	17,108	1.29	—	—	3,888	22.73
Sugar	7,657	.52	6,915	.52	742	10.73	—	—
Agricultural Implements	3,615	.25	2,375	.18	1,240	52.21	—	—
Emigrant Outfit	7,116	.48	6,891	.52	225	3.27	—	—
Salt	8,530	.58	8,147	.61	383	4.70	—	—
Wine, Liquors and Beer	5,692	.39	6,699	.50	—	—	1,007	15.03
Miscellaneous	97,873	6.66	72,759	5.48	25,114	34.52	—	—
Total	1,470,257	100.00	1,328,377	100.00	201,542	—	59,662	—
Net Increase					141,880	10.68	—	—

To further analyze the tonnage movement, the following tables have been prepared, showing the same general information contained in the foregoing table, subdivided under the heads of "Tonnage originating on this System," and "Tonnage received from connecting Roads."

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Tonnage Originating on this System.

Commodities.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	638,027	91.38	617,219	92.99	20,808	3.37	—	—
Cotton	148,520	91.10	95,876	94.00	52,644	54.91	—	—
Cotton Seed Products	96,825	90.95	69,916	93.26	26,909	38.49	—	—
Grain	38,168	62.19	46,171	62.76	—	—	8,003	17.33
Flour	9,731	16.88	14,617	32.32	—	—	4,886	33.43
Other Mill Products	7,182	33.48	4,092	27.59	3,090	75.51	—	—
Hay	19,019	65.61	17,896	70.14	1,123	6.28	—	—
Tobacco	18	4.83	141	23.54	—	—	123	87.23
Vegetables	8,513	55.10	5,304	45.41	3,209	60.50	—	—
Live Stock	35,362	69.06	27,751	76.75	7,611	27.43	—	—
Bacon	394	3.70	416	4.83	—	—	22	5.29
Merchandise	28,387	44.01	26,715	43.80	1,672	7.01	—	—
Coal (includ'g Charcoal)	9,650	20.43	6,843	7.64	2,807	41.02	—	—
Oil	3,293	24.91	562	3.29	2,731	485.94	—	—
Sugar	348	4.54	512	7.40	—	—	164	32.03
Agricultural Implements	612	16.93	556	23.41	56	10.07	—	—
Emigrant Outfit	1,976	27.77	2,537	36.82	—	—	561	22.11
Salt	222	2.60	2,525	30.99	—	—	2,303	91.21
Wine, Liquors and Beer	257	4.52	851	12.70	—	—	594	69.80
Miscellaneous	37,145	37.95	24,469	33.63	12,676	51.80	—	—
Total	1,083,649	73.70	964,969	72.64	135,336	—	16,656	—

Tonnage Received from Connecting Roads.

Commodities.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent. of Commodity Total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	60,152	8.62	46,510	7.01	13,642	29.33	—	—
Cotton	14,502	8.90	6,118	6.00	8,384	137.04	—	—
Cotton Seed Products	9,631	9.05	5,052	6.74	4,579	90.64	—	—
Grain	23,210	37.81	27,393	37.24	—	—	4,183	15.27
Flour	47,922	83.12	30,612	67.68	17,310	56.55	—	—
Other Mill Products	14,272	66.52	10,741	72.41	3,531	32.87	—	—
Hay	9,970	34.39	7,620	29.86	2,350	30.84	—	—
Tobacco	355	95.17	458	76.46	—	—	103	22.49
Vegetables	6,936	44.90	6,375	54.59	561	8.80	—	—
Live Stock	15,842	30.94	8,409	23.25	7,433	88.39	—	—
Bacon	10,253	96.30	8,198	95.17	2,055	25.07	—	—
Merchandise	36,117	55.99	34,282	56.20	1,835	5.35	—	—
Coal (includ'g Charcoal)	37,596	79.57	82,758	92.36	—	—	45,162	54.57
Oil	9,927	75.09	16,546	96.71	—	—	6,619	40.00
Sugar	7,309	95.46	6,403	92.60	906	14.15	—	—
Agricultural Implements	3,003	83.07	1,819	76.59	1,184	65.09	—	—
Emigrant Outfit	5,140	72.23	4,354	63.18	786	18.05	—	—
Salt	8,308	97.40	5,622	69.01	2,686	47.78	—	—
Wine, Liquors and Beer	5,435	95.48	5,848	87.30	—	—	413	7.06
Miscellaneous	60,728	62.05	48,290	66.37	12,438	25.76	—	—
Total	386,608	26.30	363,408	27.36	79,680	—	56,480	—

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It will be noted from the table headed, "Tonnage originating on this System," that 73.70 per cent. of the total tonnage transported, originated at points located on this System, which reflects the splendid resources of the country traversed.

Lumber still continues to form nearly one-half of the entire tonnage handled by this Company. For the year ended June 30th, 1895, compared with the preceding year, the tonnage of this commodity shows an increase of 34,450 tons or 5.19 per cent.

In total tonnage transported cotton furnishes the largest increase of any commodity (59.83 per cent.), which is due to the extraordinarily heavy crop of the season 1894-1895. Following will be found a brief table showing the number of bales of cotton carried over the System, and the revenue therefrom for the years ended June 30th, 1893, 1894 and 1895:

Year ended June 30th.	Number of Bales.	Revenue.
1893	331,726	$ 643,312 14
1894	400,480	744,484 37
1895	628,015	1,019,333 51

While there was a substantial increase in the aggregate amount of cotton seed products handled, due to the heavy cotton crop, the percentage of increase, however, is smaller than that of cotton transported. This difference is attributable to the fact that the price of cotton seed products was reduced nearly one-half as compared with the preceding year, which resulted in a smaller per cent. being used by the oil mills for manufacturing purposes, much of it being sold to other parties for stock feeding.

The grain movement was considerably decreased on account of the complete failure of the western crop of 1894, and the lateness of the crop of 1895.

Vegetables, though forming but 1.05 per cent. of the total tonnage transported, shows a good increase. The watermelon crop in Southeast Missouri and Northeast Arkansas was especially large during the summer of 1895, nearly 1,000 cars being marketed via this line. This product has become a source of con-

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siderable revenue to the agricultural element of that section, and its cultivation promises to become more extensive each year. The fruit crop in Eastern Texas, particularly around Tyler, Smith County, was also large, and a good share of this product was marketed via this line.

The decrease in coal transported is explained by the fact that the supply for use of the Texas lines of this System, which, prior to the report year was purchased from Illinois mines and transported over the lines north of Texarkana as commercial freight, was purchased during the fiscal year from Texas and Indian Territory mines direct. This subject is referred to at length on page 65 of this report.

Miscellaneous freight shows a distinct increase for the fiscal year over the preceding year, which is due to an increased movement of manufactured articles from St. Louis and the various central and eastern markets to points in the Southwest.

A number of new industries have been located on this line during the year ended June 30th, 1895, notably: Flouring mills at Campbell, Mo., St. Francis, Ark., and Rector, Ark.; cotton compress at Texarkana, Tex. (to be erected this fall); brick yard at Sulphur Springs, Tex., with capacity of 30,000 bricks per day; cotton seed oil mill at Greenville, Tex. (under construction); flouring mill and elevator, with capacity of 250 barrels per day, at Plano, Tex.; oil mill at McGregor, Tex. (under construction); lime kiln at Lime City, Tex. (under construction); cotton compress at Gatesville, Tex. (under construction); and saw mills at the following points: Gilkeson, Ark., Weston, Ark., Farrell, Ark., Rison, Ark., Savage, Ark., Farrar, Ark., Stephens, Ark., Bolinger, Ark., Bradley, Ark., Bettie, Tex., and Chronister, Tex. (mile post 507). Lumber companies at the following points have also extensively increased their capacity: Fordyce, Ark., Best, Ark., Bodcaw, Ark., Pearson, Ark., Martindale, La., and Arkana, La. Also a number of tram railways varying in length from five to

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twenty-two miles, and penetrating the extensive forests adjacent to this system of railways, are now operated by various lumber concerns solely to market their product via this line.

Passenger Traffic.

Passengers Carried and Revenue—Entire System.

Item.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease.	Per Cent.
Number of Passengers carried . .	838,984	810,801	28,183	3.48	—	—
Number of Passengers carried one mile	36,744,040	37,040,490	—	—	296,450	.80
Average distance one Passenger carried (miles)	43.80	45.68	—	—	1.88	4.12
*Total Passenger Earnings	$889,304.61	$883,408.68	$5,895.93	.67	—	—
*Average Earnings per Passenger	$1.0600	$1.0896	—	—	$0.0296	2.72
*Average Earnings per Passenger per mile	$0.0242	$0.0238	$0.0004	1.68	—	—

*Actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

For the fiscal year ended June 30th, 1895, the number of passengers carried shows an increase of 28,183, or 3.48 per cent., and the revenue an increase of $5,895.93, or .67 of one per cent. over the preceding year. The small increase of $0.0004 or 1.68 per cent. in the average earnings per passenger per mile, indicates the fact that passenger rates were well maintained throughout the year.

It is expected that the Cotton States and International Exposition at Atlanta, Georgia, will increase the travel through Memphis considerably during the coming fall, while the opening of the new sleeping car line between St. Louis and Shreveport, La., via the St. L. I. M. & S. Ry. and Delta will, undoubtedly, result in increased travel via that route.

Immediately following this will be found a table showing the classification of passengers carried and earnings derived there-

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from for the fiscal year ended June 30th, 1895, compared with the preceding fiscal year:

CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Per Cent.	Decrease.	Per Cent.
PASSENGERS CARRIED—						
Local Tickets	654,262	632,033	22,229	3.52	—	—
Cash Fares	117,606	118,226	—	—	620	.52
Home Coupon Tickets	30,209	26,138	4,071	15.58	—	—
Foreign Coupon Tickets	36,907	34,404	2,503	7.28	—	—
TOTAL	838,984	810,801	28,183	3.48	—	—
PASSENGERS CARRIED ONE MILE—						
Local Tickets	19,345,161	18,786,420	558,741	2.97	—	—
Cash Fares	1,675,547	1,578,458	97,089	6.15	—	—
Home Coupon Tickets	6,040,350	6,249,986	—	—	209,636	3.35
Foreign Coupon Tickets	9,682,982	10,425,626	—	—	742,644	7.12
TOTAL	36,744,040	37,040,490	—	—	296,450	.80
PASSENGER EARNINGS—						
Local Tickets	$528,807 28	$508,737 92	$20,069 36	3.94	—	—
Cash Fares	52,308 07	50,118 40	2,189 67	4.37	—	—
Home Coupon Tickets	116,619 50	120,312 61	—	—	$ 3,693 11	3.07
Foreign Coupon Tickets	191,569 76	204,239 75	—	—	12,669 99	6.20
TOTAL	$889,304 61	$883,408 68	$5,895 93	.67	—	—
EARNINGS PER PASSENGER—						
Local Tickets	$0.8082	$0.8049	$0.0033	.41	—	—
Cash Fares	0.4448	0.4239	0.0209	4.93	—	—
Home Coupon Tickets	3.8604	4.6030	—	—	$0.7426	16.13
Foreign Coupon Tickets	5.1906	5.9365	—	—	0.7459	12.56
TOTAL	$1.0600	$1.0896	—	—	$0.0296	2.72
EARNINGS PER PASSENGER PER MILE—						
Local Tickets	$0.0273	$0.0271	$0.0002	.74	—	—
Cash Fares	0.0312	0.0318	—	—	$0.0006	1.89
Home Coupon Tickets	0.0193	0.0193	—	—	—	—
Foreign Coupon Tickets	0.0198	0.0196	0.0002	1.02	—	—
TOTAL	$0.0242	$0.0238	$0.0004	1.68	—	—

NOTE.—The foregoing results are based on actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

It will be noted from the foregoing table that Passenger Earnings show an increase over the preceding fiscal year from the

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sale of local tickets of $20,069.36, or 3.94 per cent., and from cash fares collected $2,189.67, or 4.37 per cent.

While there is a distinct increase in the number of home coupon tickets (coupon tickets sold from points on this line), and foreign coupon tickets (coupon tickets sold by foreign lines), there is a decrease in the revenue therefrom, which is due to the World's Fair travel during the preceding year, on which there was an unusually long haul.

Notwithstanding the fact that the decrease in the revenue from ticket sales by foreign lines was only 6.20 per cent., the commissions paid to foreign line ticket agents decreased 12.71 per cent. It is also worthy of note that while the total passenger earnings show an increase of .67 of one per cent., the cost of advertising has decreased 16.56 per cent. It will thus be seen that while the total passenger earnings show a slight increase there has been a substantial decrease in these two items of expense connected with passenger traffic.

Mail Traffic.

Mail Earnings, fiscal year ended June 30th, 1895	$119,327 98
Mail Earnings, fiscal year ended June 30th, 1894	103,393 10
Increase	$ 15,934 88

In the spring of 1894 the mails on a number of the routes comprising over half the mileage of the System were weighed, and the result was an increase in the total compensation for mail service on the entire System for the fiscal year ended June 30th, 1895, of 15.41 per cent. The increase in mail pay resulting from such weighing was effective on July 1st, 1894. In the spring of 1895 the mails on the routes that were not weighed in 1894 were weighed, and effective with July 1st, 1895, the annual compensation for mail service on the entire System will be about $135,000.00, or an increase of about 13 per cent. Official advice

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as to the exact compensation for service on routes weighed last spring has not yet been received.

In order to appreciate the amount of increase in mail pay, which is the result of weighing the mails in the springs of 1894 and 1895, it is necessary to compare the annual compensation prior to July 1st, 1894, with that subsequent to July 1st, 1895. The total of mail earnings for the year ended June 30th, 1894, was $103,393.10. The annual compensation commencing with July 1st, 1895, will be about $135,000.00, an increase of about $31,600.00, or 31 per cent. On July 1st, 1895, a line of vestibuled railway post-office cars was put into service between Cairo and Texarkana, and commencing with January 1st, 1896, six months after the establishment of the line, according to the United States Post Office Department regulations, the Company will receive an additional compensation for the use of these mail cars of about $10,500.00 per annum, making the increase in the annual compensation from January 1st, 1896, as compared with the fiscal year ended June 30th, 1894, about $42,000.00, or 41 per cent.

Under the laws respecting pay for transportation of mails on railroad routes, the department is not required to weigh the mails oftener than once in four years. Hence the mail pay will remain about the same for the next three years.

The large increase in the weight of mails transported is a strong indication of the agricultural and commercial growth and development of that section of country traversed by the lines of this System.

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1895–1894.

FREIGHT.	Year ended June 30, 1895.	Year ended June 30, 1894.	In-crease.	Per Cent.	De-crease.	Per Cent.
No. of Trains run	22,202	19,303	2,899	15.02	—	—
No. of Loaded Cars moved	393,158	346,070	47,088	13.61	—	—
No. of Empty Cars moved	173,753	142,258	31,495	22.14	—	—
Total No. of Cars moved	566,911	488,328	78,583	16.10	—	—
No. of Miles run by all Freight Trains (includ'g Mixed Trains)	1,940,257	1,858,914	81,343	4.32	—	—
No. of Miles run by Loaded Cars	28,913,339	26,611,677	2,301,662	8.72	—	—
No. of Miles run by Empty Cars	10,071,485	8,446,101	1,625,384	19.24	—	—
No. of Miles run by all Cars	38,984,824	35,057,778	3,927,046	11.20	—	—
No. of Miles run by Home Cars	20,221,920	22,137,184	—	—	1,915,264	8.65
No. of Miles run by Foreign Cars	18,762,904	12,920,594	5,842,310	45.22	—	—
No. of Miles run by Home Cars on Foreign Lines	9,930,917	9,602,422	328,495	3.42	—	—
Percentage of Empty Car mileage to Total Car mileage	26	24	2	8.33	—	—
Average No. of Trains run daily	61	53	8	15.10	—	—
Average No. of Loaded Cars moved daily	1,077	948	129	13.61	—	—
Average No. of Empty Cars moved daily	476	390	86	22.05	—	—
Average No. of all Cars moved daily	1,553	1,338	215	16.07	—	—
Average No. of Loaded Cars in each Train	14.90	14.32	.58	4.05	—	—
Average No. of Empty Cars in each Train	5.19	4.54	.65	14.32	—	—
Average No. of all Cars in each Train	20.09	18.86	1.23	6.52	—	—
Average No. of Miles run by Trains daily	5,316	5,093	223	4.38	—	—
Average No. of Miles run by each Train	87	96	—	—	9	9.38
Average No. of Miles run by Loaded Cars in each Train	1,302	1,379	—	—	77	5.58
Average No. of Miles run by Empty Cars in each Train	454	437	17	3.90	—	—
Average No. of Miles run by all Cars in each Train	1,756	1,816	—	—	60	3.30
Average No. of Miles run per Car per day—Home Cars	24	24	—	—	—	—
Average No. of Miles run per Car per day—Foreign Cars	22	19	3	15.80	—	—
Average No. of Miles run per Car per day—This Company's cars on Foreign Lines	18	20	—	—	2	10.00
Average No. of Cars on Line—Home	2,345	2,572	—	—	227	8.83
Average No. of Cars on Line—Foreign	2,322	1,875	447	23.84	—	—
Average No. of this Company's cars on Foreign Lines	1,537	1,331	206	15.48	—	—

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TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM—*Continued.*

PASSENGER.	Year ended June 30, 1895.	Year ended June 30, 1894.	In-crease.	Per Cent.	De-crease.	Per Cent.
No. of Trains run	9,317	8,805	512	5.82	—	—
No. of Cars moved	38,711	36,613	2,098	5.73	—	—
No. of Miles run by Trains (not including Mixed Trains)	1,358,605	1,298,870	59,735	4.60	—	—
No. of Miles run by Home Cars	4,555,758	4,715,771	—	—	160,013	3.39
No. of Miles run by Foreign Cars	897,278	902,479	—	—	5,201	.58
No. of Miles run by all Cars	5,453,036	5,618,250	—	—	165,214	2.94
Average No. of Trains run daily	26	24	2	8.33	—	—
Average No. of Cars moved daily	106	100	6	6.00	—	—
Average No. of Cars moved in each Train	3.79	4.05	—	—	.26	6.42
Average No. of Miles run by Trains daily	3,722	3,559	163	4.58	—	—
Average No. of Miles run by each Train	146	148	—	—	2	1.35
Average No. of Miles run by Cars daily	14,940	15,392	—	—	452	2.94
Average No. of Miles run per Car per day—Home Cars	160	177	—	—	17	9.60
Average No. of Miles run per Car per day—Foreign Cars	129	145	—	—	16	11.03
Average No. of Cars on Line—Home	78	73	5	7.00	—	—
Average No. of Cars on Line—Foreign	19	17	2	11.76	—	—

FREIGHT.

During the fiscal year ended June 30th, 1895, the equipment owned and leased remained practically the same as during the preceding fiscal year, as will be seen from the statement of equipment on page 60.

Throughout the greater portion of the month of July, 1894, while the strike of the American Railway Union was in existence, causing stagnation in through freight traffic, freight cars in large numbers stood idle on side tracks at various points on the line, as the freight movement during that period comprised little more than local shipments. After the termination of the strike, it took some time for business to resume its normal condition, and it was necessary to haul empty cars, both home and foreign, out of

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Texas to the Arkansas division in special trains, in order to place them where they could be loaded. This caused a large increase in empty mileage, as well as in the mileage of foreign cars.

The cotton movement on this line during the fiscal year ended June 30th, 1895, was the largest in the history of the road. The total number of bales hauled was 628,015, while the total number of bales hauled during the previous year was 400,480, making an increase of 227,535 bales. A large part of the cotton in Texas was moved to Gulf points, thus causing a short haul on this line, and making it necessary to retain between 700 and 800 home box cars in Texas hauling cotton into junction stations. This was detrimental to the record of the Car Service Department, because the cars would make a loaded haul of 25 or 30 miles, remain at junction station a day or two to be unloaded, be returned to some loading point empty, and remain there a day or two to be loaded again. This also had the effect of forcing more foreign cars on the line to take care of other business.

On account of sharp competition in the matter of quick time in transit, it was found necessary to run a greater number of foreign cars through to destination without transferring, than heretofore, which was an additional factor in increasing the mileage of foreign cars on this line.

Notwithstanding these conditions, which interfered with the good record of the Car Service Department, the performance of the freight equipment for the fiscal year ended June 30th, 1895, compares very favorably with that of the preceding fiscal year when the large increase in volume of business is taken into consideration.

The increase in freight train mileage is only 4.32 per cent. as against an increase of 10.68 per cent. in the total tonnage transported, and an increase of 16.41 per cent. in freight earnings. While the increase in empty car mileage was considerably in excess of the increase in loaded car mileage (due to the adverse

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conditions heretofore mentioned), the increase in total car mileage is 11.20 per cent., which is about the same as the per cent. of increase in total tonnage transported. The per cent. of empty car mileage to total car mileage during the fiscal year ended June 30th, 1895, is 26, as compared with 24 last year, and 23 the year previous to that. The average mileage per car per day by home cars was 24 this year, which is the same as last year and the year before that. The average mileage per car per day of foreign cars on this line was 22 against 19 last year, being an increase of 15.8 per cent.

The other figures in the foregoing table will be found interesting, and a careful perusal of same is invited.

The following table shows the amount earned by St. Louis Southwestern System freight cars on foreign roads, and the amount paid for mileage of foreign cars on this line during the year ended June 30th, 1895, compared with the year ended June 30th, 1894:

Description.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
Amount earned by foreign freight cars on St. L. S. W. R'y—Entire System .	$115,455 80	$101,152 76	$14,303 04	—
Amount earned by St. L. S. W. R'y System freight cars on foreign roads.	60,050 08	62,812 09	—	$2,762 01
Net balance due foreign roads .	$55,405 72	$38,340 67	$17,065 05	—

The figures contained in the foregoing table show an increase of $14,303.04 in mileage of foreign freight cars on this line. Of this increase $5,688.92 was in patent stable cars used in hauling live stock, explained by the fact that the live stock tonnage handled during the fiscal year ended June 30th, 1895, exceeded that of any previous fiscal year. The balance of the increase was mainly due to the large increase in the volume of business, which

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caused a large increase in mileage of foreign cars on this line.

While the revenue earned by this Company's freight cars on foreign roads shows a decrease of $2,762.01, the mileage shows an increase of 328,495 miles. The decrease in revenue is caused by the reduction in the rate of mileage paid and received by foreign lines, which was effected during the fiscal year ended June June 30th, 1895. On August 1st, 1894, the rate of mileage for use of freight cars was reduced from three-fourths of a cent per mile to one-half of a cent per mile. The latter rate was in effect three months, and on November 1st, 1894, the rate was increased to six-tenths of a cent per mile, and has not since been changed.

As compared with the fiscal year ended June 30th, 1893 (a year of prosperity, and, during which period the mileage balance was against this Company, $99,205.78), the figures for the fiscal year ended June 30th, 1895, show a saving of $43,800.06. In making this latter comparison, however, it should be remembered that the figures for the fiscal year ended June 30th, 1895, are based on an increase of 500 new box cars of 60,000 pounds capacity, purchased under car trust agreement, and received during the latter part of June, 1893.

Passenger.

A decided improvement has been made in the performance of the passenger equipment, which has caused a substantial decrease in the mileage of home and foreign cars. The decrease in mileage of home cars is the result of cutting out coaches from passenger trains at Mt. Pleasant and Fair Oaks, thus saving the mileage on such coaches between those points.

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MAINTENANCE OF WAY.

Road Department.

Character of Rail in Main Track, June 30th, 1895.

Location.	75-lb. Steel. Track Miles.	56-lb. Steel. Track Miles.	35-lb. Steel. Track Miles.	Total Track Miles.
St. Louis Southwestern R'y Co.				
Main Line	4.10	413.90	—	418.00
New Madrid Branch	—	—	5.70	5.70
Delta Branch	—	51.40	—	51.40
Little Rock Branch	—	41.20	.50	41.70
Magnolia Branch	—	.02	6.38	6.40
Shreveport Branch	—	59.50	—	59.50
Total	4.10	566.02	12.58	582.70
St. Louis Southwestern R'y Co. of Texas—				
Main Line	—	258.29	46.31	304.60
Sherman Branch	—	109.90	—	109.90
Ft. Worth Branch	—	97.20	—	97.20
Hillsboro Branch	—	40.00	—	40.00
Total	—	505.39	46.31	551.70
Tyler Southeastern R'y Co.—				
Main Line	—	—	88.60	88.60
Entire System	4.10	1,071.41	147.49	1,223.00

The management having adopted as its standard, steel rail weighing 75 pounds to the yard, 1,000 tons of such rail (sufficient to lay about eight track miles) were purchased during the month of June, 1895, to be laid on the main line, Arkansas Division. Before the close of the fiscal year for which this report is made, 4.1 miles of this rail were laid and the remainder has been laid since the close of the fiscal year. The 56-pound rail released will be used for renewals on other portions of the line. A contract has been let for 1,000 tons more of 75-pound rail for renewal purposes, to be delivered in barges at Bird's Point, Mo., as soon as the stage of water in the Ohio River will admit of navigation.

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CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1895.

DESCRIPTION.	Ballasted. Track Miles.	Not Ballasted. Track Miles.	Total Track Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—			
Rock	4.37	—	4.37
Gravel and sand	205.87	—	205.87
Cinders	16.14	—	16.14
Natural soil	—	356.32	356.32
Total	226.38	356.32	582.70
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—			
Rock	84.36	—	84.36
Gravel and sand	138.00	—	138.00
Cinders	22.15	—	22.15
Natural soil	—	307.19	307.19
Total	244.51	307.19	551.70
TYLER SOUTHEASTERN R'Y CO.—			
Rock	.66	—	.66
Gravel and sand	.06	—	.06
Cinders	1.44	—	1.44
Natural soil	—	86.44	86.44
Total	2.16	86.44	88.60
ENTIRE SYSTEM—			
Rock	89.39	—	89.39
Gravel and sand	343.93	—	343.93
Cinders	39.73	—	39.73
Natural soil	—	749.95	749.95
Total	473.05	749.95	1,223.00

During the year ended June 30th, 1895, 45.9 miles of track have been ballasted, divided between the several companies, as follows: St. Louis Southwestern Railway Co.—rock .3 of one mile, gravel and sand 17.0 miles, cinders 1.3 miles, total 18.6 miles; St. Louis Southwestern Railway Co. of Texas—rock 8.6 miles, gravel and sand 13.3 miles, cinders 5.1 miles, total 27.0 miles; Tyler Southeastern Railway Co.—cinders .3 of one mile.

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FENCING ON RIGHT OF WAY.

BUILT FROM JULY 1ST, 1891 TO JUNE 30TH, 1895.

LOCATION.	Miles of Fence.
St. Louis Southwestern R'y Co.	125.95
St. Louis Southwestern R'y Co. of Texas	36.72
Tyler Southeastern R'y Co.	.27
Entire System	162.94

Of the fencing shown in the foregoing table, there were built during the fiscal year ended June 30th, 1895, 51.47 miles of standard fence on the line of the St. Louis Southwestern Railway, and 30.53 miles on the St. Louis Southwestern Railway of Texas. The fence on the St. Louis Southwestern Railway, built during the year, consists of panels of 8 feet, six barbed wires, and a top of board. The standard Texas fence is built with panels of 16 feet, using four strands of barbed wire. The policy has been to fence those portions of the line where the records of the Stock Claim Department show the heaviest losses for killing stock to have occurred. The reduction in the amount expended on account of loss and damage to live stock in the fenced districts is noticeable, and shows the wisdom of this policy. Believing that economical results could be obtained by contracting out important districts to be fenced, a contract was let to fence the road from Texarkana to Mt. Pleasant, a distance of 61 miles. This work was commenced in July, 1895.

CULVERTS.

On the line of the St. Louis Southwestern Railway, the work of replacing worn out log drains with standard vitrified tile or cast-iron pipe has been continued throughout the year. There

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have been built 108 culverts, aggregating 5,899 linear feet. No general work of replacing worn-out log drains has been undertaken during the year on the lines in Texas, and but 244 linear feet of vitrified pipe culvert have been built. This work will be continued until all old log drains and unnecessary small trestles have been replaced.

BIG CREEK BOTTOM.

MILE POST 281-2, MAIN LINE, ARKANSAS.

A careful study was made of this district where subject to overflow, resulting in the preparation of a general plan for its improvement and control of the flood water, and the work for about half of the distance has been completed. The embankments were widened and raised and the trestle openings adjusted, and it is believed when the improvement is completed across the balance of the bottom, no further trouble will be experienced at this point.

THORNTON HILL.

MILE POST 308-317, MAIN LINE, ARKANSAS.

This location having been selected as the place where about 8 track miles of new standard 75-pound rail should be laid, it became advisable to improve the grade line and bring it within the limit of a one per cent. grade. The work was done by steam shovel, the summit lowered 7 feet, and over 8 miles of line permanently improved; unnecessary trestles were filled, and vitrified tile or cast-iron pipe culverts substituted therefor, and the entire district was fenced.

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ELM FORK OF TRINITY RIVER BOTTOM.

MILE POST C. 604, FT. WORTH BRANCH, TEXAS.

The grade line across this bottom is being gradually improved as the trestles are rebuilt, a general plan for this improvement having been submitted and approved in 1893. Sufficient land has been purchased, and releases from adjoining property owners obtained, to allow the river channel to be regulated. During the fiscal year just ended, trestles 116 and 117 in this bottom were rebuilt, and the track raised to conform with the improvement plan heretofore submitted.

OVERFLOW DISTRICTS.

The improvement of certain districts subject to overflow has been carried on gradually throughout the year, and the advantages derived from the work performed, are noticeable.

MAINTENANCE.

The physical condition of the track has been more than maintained during the past fiscal year. Narrow gauge banks in many places have been widened to standard gauge. The number of cross-ties placed in track exceeded the number placed in track during the fiscal year ended June 30th, 1894, by 45,159 ties. The average number of ties placed in track per mile of road for the entire system was 518 against 481 for the preceding fiscal year. The work of improvement and maintenance carried on during the year, the most of which is in addition to that mentioned in the foregoing remarks, is shown in detail in the following table, which embraces also a comparison with similar work performed during the preceding fiscal year.

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Comparative Statement of Maintenance and Improvements in Road Department,

During Year ended June 30th, 1895–1894.

Character of Work.	St. L. S. W. R'y Co.		St. L. S. W. R'y Co. of Texas.		T. S. E. R'y Co.		Entire System.	
	Year ended June 30, 1895.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1894.
Miles of track ditched by plow	22.0	1.2	—	55.7	—	—	22.0	56.9
Miles of track ballasted	18.6	22.0	27.0	40.4	.3	.3	45.9	62.7
Miles of track laid with 75-lb. steel	4.1	—	—	—	—	—	4.1	—
Miles of track relaid with 56-lb. steel	—	1.0	1.6	.2	—	—	1.6	1.2
Miles of track relaid with 35-lb. steel	—	—	—	.2	.1	—	.1	.2
Miles of new saw mill spurs, private and side tracks	5.0	6.8	3.5	2.0	.5	.5	9.0	9.3
Miles of old side tracks taken up	4.5	4.9	2.0	2.0	.5	.3	7.0	7.2
Number of cross-ties placed in track	296,044	289,437	299,770	283,245	37,501	15,474	633,315	588,156
Sets of switch ties placed in track	105	83	79	87	9	1	193	171

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Bridge and Building Department.

During the fiscal year ended June 30th, 1895, the work of maintenance and renewals of bridges, trestles and other structures has been carried on steadily. The following table furnishes the location and a description of all permanent spans on June 30th, 1895:

Bridges—Statement of Permanent Spans, June 30th, 1895.

Location.	Mile Post.†	No. of Spans.	Length, Each.	Total Length.	Kind of Structure.	Class.*	Year Built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis River . .	70	1	100	100	Plate Girder Draw .	A	1892
White River	214.6	1	355	—	Pin Connected Draw .	A	1892
" "	214.6	2	125	605	Combination	C	1883
Arkansas River . . .	261	1	65	—	Plate Girder	A	1891
" " . . .	261	1	428	—	Pin Connected Draw .	A	1891
" " . . .	261	5	200	—	Pin Connected Truss .	A	1888
" " . . .	261	1	100	1,593	Pin Connected Truss .	A	1891
Saline River	294.5	2	50	—	Plate Girder	A	1890
" "	294.5	1	150	250	Pin Connected Truss .	A	1890
Moro River	302.7	1	80	80	Plate Girder	A	1893
Ouachita River . . .	335.9	1	290	290	Pin Connected Draw .	A	1891
Red River	396.8	1	300	—	Pin Connected Draw .	C	1883
" "	396.8	1	200	—	Pin Connected Truss .	A	1888
" "	396.8	1	62	562	Plate Girder	B	1886
Backwater River . . .	I 3	1	100	100	Pin Connected Truss .	A	1890
Whitewater River . .	I 8.2	1	140	140	Pin Connected Truss .	A	1890
Castor River	I 19.6	1	130	130	Pin Connected Truss .	A	1893
Total	—	23	—	3,850	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Trinity River	599.3	1	200	200	Pin Connected Truss .	A	1890
Tehuacana River . .	669.8	1	95	95	Plate Girder	A	1893
Brazos River	675.8	3	150	—	Pin Connected Truss .	B	1886
" "	675.8	2	54	558	Plate Girder	B	1886
South Bosque River .	687.5	1	150	150	Pin Connected Truss .	B	1892
Harris Creek	689.5	1	70	70	Plate Girder	A	1890
Leon River, 1st Crossing	706.8	1	125	125	Pin Connected Truss .	B	1886
" " 2d Crossing	711.5	1	125	125	Pin Connected Truss .	B	1886
Richland Creek . . .	F 647.7	1	125	125	Pin Connected Truss .	A	1890
Cedar Creek	D 582.1	1	125	125	Pin Connected Truss .	B	1888
Choctaw Creek . . .	D 583.7	1	125	125	Pin Connected Truss .	B	1888
East Fork Trinity River	C 574.2	1	97	97	Plate Girder	X	1894
Rowlett's Creek . . .	C 584.5	1	110	110	Pin Connected Truss .	X	1894
Spring Creek	C 589.6	1	110	110	Pin Connected Truss .	X	1894
Prairie Creek	C 591.5	1	80	80	Riveted Girder . . .	A	1890
White Rock Creek . .	C 596.1	1	110	110	Pin Connected Truss .	X	1894
Total	—	19	—	2,205	—	—	—
Entire System	—	42	—	6,055	—	—	—

†Note.—Location of mile posts; without prefix, Main Line; I, Delta Branch; F, Hillsboro Branch; D, Sherman Branch; C, Ft. Worth Branch.

*Note.—Class A, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
Class B, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
Class C, sufficient to carry two Mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
Class X, sufficient to carry two Consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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The condition of the two combination spans forming the approaches to the draw span at White River, on the main line in Arkansas, was such that it became necessary to remove them as early as possible and substitute for the old wooden bridge seats, permanent substructures. Designs for these spans and substructures were made during the fiscal year just closed, and contracts have since been let to responsible contractors for the completion of the entire work before the approaching winter floods.

The four steel bridges on the Ft. Worth Branch in Texas over East Fork Trinity River, Rowlett's, Spring and White Rock Creeks, which were being constructed at the close of last fiscal year, were satisfactorily completed.

Plans have been prepared for a steel bridge of 152 feet span, resting upon pile bridge seats, to take the place of a trestle crossing the Sabine River on the main line in Texas—the floods in this stream having rendered it necessary to remove the present trestle as early as possible. This work will be completed during the ensuing fiscal year.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1895.

	Length.	
	In Linear Feet.	In Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point Incline	1,326	.25
Bird's Point Section	28,542	5.41
Jonesboro Section	34,905	6.61
Pine Bluff Section	49,948	9.46
Delta Branch	8,380	1.59
Little Rock Branch	4,162	.79
Magnolia Branch	1,167	.22
Shreveport Branch	5,470	1.03
TOTAL	133,900	25.36
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana Section	35,866	6.79
Tyler Section	29,182	5.53
Waco Section	3,908	.74
Ft. Worth Branch	19,055	3.61
Sherman Branch	20,047	3.80
Hillsboro Branch	4,598	.87
TOTAL	112,656	21.34
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,365	2.53
ENTIRE SYSTEM	259,921	49.23

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The work of maintenance of trestles has been well kept up during the year. On the line of the St. Louis Southwestern Railway 13,040 linear feet, and on the lines in Texas 17,234 linear feet, have been rebuilt with the new standard trestles of the design adopted in 1893.

The policy of filling up all unnecessary trestles and substituting for them vitrified tile or cast iron pipe culverts has been continued throughout the year. On the St. Louis Southwestern Railway 58 trestles, aggregating 1,369 linear feet, have been filled and culverts substituted for them. Seven trestles have been filled and side ditches dug to carry off the water to its natural channel, making a grand total of 65 trestles, aggregating in all 1,639 linear feet which have been filled and removed during the year. In addition to this there were constructed during the year in the Bridge and Building Department yards at Pine Bluff, Ark., 13 small iron girders, ranging from 14 ft. to 18 ft. span, from the material taken from the original spans at Arkansas River, these girders being substituted for wooden trestles. On the lines in Texas but few trestles have been filled up during the past fiscal year.

BUILDINGS, ETC.

In addition to the work on bridges and trestles, the following important work, on buildings and other structures, performed by the Bridge and Building Department forces is worthy of mention:

JONESBORO, ARK.

At this division point a standard coaling station has been erected, containing eight pockets and storage bins holding five hundred tons, a new water service system has been established, new feeding pens with twenty compartments completed, and work commenced on a six-stall addition to the present roundhouse, replacing seven old narrow-gauge stalls which had become entirely useless.

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BRINKLEY, ARK.

At mile post 198.4 (near Brinkley, Ark., station), a standard coaling station with four pockets has been erected adjoining the main track; also a storage shed with a capacity of six hundred tons. The location and design of this coaling station are such that engines on the main track can take coal and water at the same time without moving.

COMPANY SHOPS, PINE BLUFF, ARK.

A number of minor improvements have been added to the facilities in the yards and buildings at this point, such as the adjustment of tracks, improvement of drainage, and the erection of a coal storage shed with a capacity of one thousand tons. In addition to this, work has been commenced on the transfer pit to substitute permanent brick walls and foundations for the existing timber ones. Plans have been prepared for a brick addition to the present blacksmith shop; this new addition is to be 78 feet 3½ inches long by 79 feet 9 inches wide, with a steel roof truss fitted with cranes and overhead transfer tracks. Plans have also been prepared for a complete water works and sewerage system; this water system is so designed that every important structure on the grounds will be protected by not less than four fire streams throwing two hundred and forty gallons of water each per minute. The water will be furnished from the Company's private supply operated by the Bridge and Building Department. The value of the Company's plant at this point requires that this work should be completed as rapidly as the material can be furnished.

PINE BLUFF, ARK., DEPOT FACILITIES.

A brick combination freight and passenger depot has been erected during the year at Pine Bluff, Ark., and the local yard entirely revised. This work has relieved the cramped situation, and provided facilities very much needed at this important station.

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TEXARKANA, TEXAS.

During the year work was commenced at this point on the following new motive power structures; a ten-stall round-house, turn-table, coaling station, sand house, oil house and office. The increased business of the road has rendered these additional facilities an actual necessity.

COMMERCE, TEXAS.

In line with the improvements inaugurated at this point (which is the junction of the Ft. Worth and Sherman branches) during the preceding fiscal year, there have been completed during the past fiscal year the following structures for the Motive Power and Car Department: a new five-stall round-house, turn-table, office and store room.

GREENVILLE, TEXAS.

Plans were prepared for a joint union depot and other joint depot facilities with the Texas Midland Railroad, at this important station on the Ft. Worth Branch. During the past fiscal year these improvements were commenced, and the work completed in August, 1895.

WATER STATIONS.

During the year two old water tanks on the line of the St. Louis Southwestern Railway have been replaced with standard tanks of 50,000 gallons capacity, one located at Weiner, Ark., and one at Saline, Ark., both on the main line.

At Lewisville, Ark., the junction of the main line and Shreveport branch, the water supply has always been insufficient and unreliable; therefore, during the past year an iron cylinder 7 feet

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in diameter was sunk 65 feet in the ground, this cylinder being made from one of the condemned piers removed from the Arkansas River bridge in 1891. From the bottom of this cylinder, a four-inch well was sunk 354 feet, from which a self-flowing stream of good water has been secured. This water rises to within forty feet of the ground surface, from which point it is pumped into a standard tank, and the water supply is now ample.

At Texarkana, Texas, work has been commenced on a new standard 50,000-gallon tank, in line with the inauguration of other improvements at that point for the Motive Power and Car Department.

At Commerce, Texas, the reservoir was enlarged, the material excavated being used to fill up low places in the yard. By this means the capacity of the reservoir was increased in an economical manner to a total of 6,500,000 gallons, and is now filled with good water for engine service. One of the new standard 50,000-gallon tanks was also erected at this point during the year.

PASSENGER PLATFORMS.

The policy of replacing plank passenger platforms with standard gravel platforms has been continued. During the past year there have been renewed in this manner, 55,740 square feet on the St. Louis Southwestern Railway, and 12,924 square feet on the St. Louis Southwestern Railway of Texas.

MAINTENANCE AND IMPROVEMENTS.

The following table furnishes a summary, by roads, of the work of maintenance and improvements (embracing completed structures, only) in the Bridge and Building Department for the year ended June 30th, 1895:

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MAINTENANCE AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES, ONLY), YEAR ENDED JUNE 30TH, 1895.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
New wooden trestles	13,040	Linear feet	$51,380 23
Culverts	5,899	Linear feet	13,943 99
Wire fence	51	Miles and 2,512 ft. of fence	11,354 88
Station platforms (wood)	4,656	Square feet	81 97
Station platforms (gravel)	55,740	Square feet	1,888 18
Freight platforms (two)	3,344	Square feet	326 32
Cotton platforms (sixteen)	23,639	Square feet	2,237 58
Cattle guards	110		3,275 14
Stock pens	9		3,086 98
Station buildings	2		2,550 73
Brick combination freight & pass. depot	1		9,022 81
Eating house	1		2,027 10
Baggage room	1		46 83
Station building outhouse	1		68 24
Coaling stations	2		5,558 49
Coal bins	12		619 77
Coal storage shed	1		480 95
Section and bunk house	1		840 81
Section house fences	—		191 93
Oil house (wood)	1		315 40
Sand house	1		377 55
Water stations, tank and tank frames	2		2,358 59
Pump and well houses	4		709 08
Dry shed	1		108 14
Tool house	1		62 07
Hand car house	1		43 24
Turn tables (wood)	2		936 35
Track scales	2		1,167 53
Scale seat	1		231 60
Cradles and aprons (Bird's Point Incline)	2		2,761 36
Mail cranes	4		90 53
Cinder pit, standard pedestal	1		214 21
Farm gates	9		62 15
		Total	$118,420 73

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MAINTENANCE AND IMPROVEMENTS—*Continued.*

St. Louis Southwestern R'y Co. of Texas.			Cost.
New wooden trestles	17,192	Linear feet	$69,455 68
Culverts	244	Linear feet	505 75
Wire fence	30	Miles and 2,842 ft. of fence	5,684 63
Station platforms (wood)	1,848	Square feet	519 84
Station platforms (cinder)	12,924	Square feet	428 71
Cotton platforms (nine)	20,129	Square feet	1,814 62
Cattle guards	170		4,132 69
Stock pens	4		1,037 81
Station buildings	2		1,001 53
Sanitary closets at terminal stations	4		704 75
Steel bridges	4		16,441 64
Round house (wood)	1		3,112 74
Motive power store room and office	2		1,450 40
Oil house (wood)	1		321 71
Cinder pit, standard pedestal	1		235 33
Water tank and frame	1		1,020 56
Pump house and pump house coal bin	1		133 95
Watch house	1		214 50
Car repairers' house	2		231 82
Coal bins	2		57 60
Transfer shed	1		18 27
Track scales (36 ft. 50 tons)	2		571 10
Turn table (wood)	1		725 56
Mail cranes	2		43 00
Park fence	—		245 67
B & B yard fence	—		52 23
Wagon bridges	2		206 54
		Total	$110,368 63

Tyler Southeastern R'y Co.			Cost.
New wooden trestles	42	Linear feet	$ 169 68
Wire fence	1,440	Feet of fence	44 91
Cattle guards	7		205 65
Car repairers' house	1		59 80
Gate	1		4 20
		Total	$ 484 24
Entire System		Total	$229,273 60

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MOTIVE POWER AND CAR DEPARTMENT.

The advantages derived from the new car shop buildings, additional shop room and machinery at Pine Bluff, Ark., were made manifest during the past year, by a large increase in the work performed, accompanied by a marked decrease in the expense. The additional Motive Power and Car Department facilities now being provided at Jonesboro, Ark., Texarkana, Texas, and Commerce, Texas, all important junction points, will greatly facilitate the work of ordinary repairs to locomotives and cars. During the past year the following new machinery was purchased for Pine Bluff, Ark., shops: one hydrostatic wheel press, one rotary drill press, one six-spindle drill press, one screw cutting lathe, one single punch and shears, at a total cost of $3,325.85. There was also expended during the past year, for stationary engines, boilers, machinery and fixtures, for the new repair shops at Texarkana, Texas, $3,583.50, and at Commerce, Texas, $5,574.74.

The further improvement of shop facilities, especially at Tyler, Texas, as fast as the finances of the Company will permit, is earnestly recommended by the management.

The following improvements have been made to the Company's equipment during the year; air brakes have been applied to 13 locomotives and 112 freight cars, and automatic couplers to 132 freight cars. One mail and express car and two baggage cars were converted into vestibuled standard railway post-office cars, and these post-office cars were equipped with Pintsch gas, Harrison bag racks and Baker heaters with steam attachments. Engine No. 132, which has been at the bottom of Red River for a number of years, was, after much difficulty, raised out of the river and repaired, thus adding an additional engine to the working equipment of the road, at a total cost of about $3,000.00.

In view of the steady improvement in the roadbed, the use of heavier locomotive equipment is considered more feasible now than in the past. The saving in operating expenses that would

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accrue from the use of heavier modern locomotives, would pay for their first cost in two years, even if nothing could be obtained from the sale of the old locomotives, other than their value as scrap.

The necessity of equipping the Company's locomotives and cars with air brakes and automatic couplers is very urgent, as only two and one-half years remain between the close of the fiscal year for which this report is made and the date the Federal law on this subject goes into effect (January 1st, 1898). The work of equipping locomotives is almost completed, but comparatively few freight cars are so equipped. On June 30th, 1895, there were 8 locomotives and 4,152 freight cars requiring air brakes and 4,118 freight cars requiring automatic couplers. It is estimated that in order to thus equip this rolling stock it will require a monthly expenditure in the neighborhood of $12,000 for the succeeding thirty months, which is about 65 per cent of the present total expenses of the Car Department.

The matter of rebuilding car equipment when destroyed is one of the utmost importance. As stated elsewhere in this report, the following policy has been adopted with respect to destroyed cars. The amount of the net loss and depreciation on destroyed cars at the time of destruction is charged to operating expenses and the value of the cars according to Master Car Builders' rules set aside for rebuilding purposes by crediting the amount to "Equipment Replacement Fund." When such cars are rebuilt, the cost of rebuilding, to the extent of the amount originally credited, is charged against this fund. During the past year there have been rebuilt under this plan, 33 box, 29 furniture, 1 stock, 2 flat and 16 coal cars. This completes all of the box cars that were destroyed since the present Company assumed charge of the property June 1st, 1891. There have been purchased 3 new coaches and 2 new chair cars, and the following additional equipment has been built at the Company's shops, and charged to "Cost of Road and Equipment" account: 1 mail, 1 furniture, 1 incline and 53 box cars.

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Immediately following will be found statements furnishing in detail—first, a list of equipment on hand at the beginning and close of the fiscal year, with changes during the year; second, equipment purchased, built and rebuilt, and cost of same; third, repairs and maintenance of equipment; fourth, condition of equipment by months; fifth, performance and cost of operating locomotives:

Statement of Equipment—Entire System.

Class.	On Hand June 30, 1894.	Changes During Year.						On Hand June 30, 1895.
		Purchased.	Built and Rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
Locomotives—								
Standard Gauge	130	—	—	—	1	—	—	129
Narrow Gauge	8	—	—	—	—	—	—	8
Total	138	—	—	—	1	—	—	137
Passenger Cars—								
Official . . . Standard Gauge	4	—	—	—	—	—	—	4
Chair . . . Standard Gauge	7	2	—	—	—	—	—	9
Coaches . . . Standard Gauge	45	3	—	—	—	—	1	49
Coaches . . . Narrow Gauge	4	—	—	—	—	1	—	3
Combination . . . Standard Gauge	2	—	—	1	—	—	2	3
Baggage and Exp. . Standard Gauge	10	—	—	2	—	3	—	5
Mail and Express . . Standard Gauge	17	—	1	—	—	1	1	18
Mail and Express . . . Narrow Gauge	2	—	—	—	—	1	—	1
Mail . . . Standard Gauge	—	—	—	—	—	—	3	3
Total	91	5	1	3	—	6	7	95
Freight Cars—								
Refrigerator . . . Standard Gauge	25	—	—	—	—	—	—	25
Furniture . . . Standard Gauge	70	—	30	—	—	—	—	100
Caboose . . . Standard Gauge	70	—	—	—	—	—	—	70
Caboose . . . Narrow Gauge	2	—	—	—	—	—	—	2
Box . . . Standard Gauge	2,363	—	86	31	—	3	—	2,415
Box . . . Narrow Gauge	93	—	—	4	—	—	3	92
Stock . . . Standard Gauge	322	—	1	12	—	—	—	311
Stock . . . Narrow Gauge	8	—	—	—	—	3	—	5
Flat . . . Standard Gauge	815	—	3	34	1	1	—	782
Flat . . . Narrow Gauge	98	—	—	13	—	—	4	89
Coal . . . Standard Gauge	509	—	16	20	—	—	—	505
Derricks	2	—	—	—	—	—	—	2
Steam Shovels	2	—	—	—	—	—	—	2
Total	4,379	—	136	114	1	7	7	4,400

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Statement of New Equipment Purchased and Equipment Built and Rebuilt at Company Shops.

Year Ended June 30th, 1895.

Class of Equipment.	New Equipment Purchased.		Additional Equipment Built, charged to Equipment Account (New).		Wrecked and Destroyed Equipment Rebuilt, charged to Equipment Replacement Fund.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Passenger Cars	3	$24,440 00	—	—	—	—	3	$24,440 00
Chair Cars	2						2	
Mail Cars	—	—	1	$ 2,362 80	—	—	1	2,362 80
Furniture Cars	—	—	1	654 11	29	$17,047 18	30	17,701 29
Box Cars	—	—	53	24,622 60	33	15,780 54	86	40,403 14
Stock Cars	—	—	—	—	1	376 19	1	376 19
Flat Cars	—	—	—	—	2	497 97	2	497 97
Coal Cars	—	—	—	—	16	5,223 00	16	5,223 00
Incline Cars	—	—	1	405 16	—	—	1	405 16
Total	5	$24,440 00	56	$28,044 67	81	$38,924 88	142	$91,409 55

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1895.		Year ended June 30, 1894.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running Repairs	1,220	$62,646 25	1,232	$60,666 39	—	$ 1,979 86	12	—
Light Repairs	182	25,545 89	197	27,112 93	—	—	15	$1,567 04
Heavy Repairs	63	31,218 25	60	30,446 47	3	771 78	—	—
General Repairs	29	37,988 33	26	27,585 28	3	10,403 05	—	—
Rebuilding	16	29,865 28	15	26,787 49	1	3,077 79	—	—
Total	1,510	$187,264 00	1,530	$172,598 56	7	$16,232 48	27	$ 1,567 04
Passenger Cars.								
Running Repairs	561	$ 7,563 64	588	$ 6,956 76	—	$ 606 88	27	—
Light Repairs	222	15,393 62	166	9,462 71	56	5,930 91	—	—
Heavy Repairs	28	10,360 05	12	6,975 90	16	3,384 15	—	—
General Repairs	7	7,963 68	5	7,542 13	2	421 55	—	—
Rebuilding	6	12,731 42	13	28,382 49	—	—	7	$15,651 07
Total	824	$54,012 41	784	$59,319 99	74	$10,343 49	34	$15,651 07
Freight Cars.								
Running Repairs	48,683	$ 94,169 03	40,968	$89,480 24	7,715	$ 4,688 79	—	—
Light Repairs	737	12,036 89	1,208	19,539 77	—	—	471	$ 7,502 88
Heavy Repairs	719	28,000 20	882	35,349 10	—	—	163	7,348 90
General Repairs	247	20,160 39	238	19,596 26	9	564 13	—	—
Rebuilding	55	7,196 71	84	10,684 32	—	—	29	3,487 61
Total	50,441	$161,563 22	43,380	$174,649 69	7,724	$ 5,252 92	663	$18,339 39
Entire Cost	—	$402,839 63	—	$406,568 24	—	—	—	$ 3,728 61

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Condition of Equipment by Months during the Year—Entire System.

Months Ended.	Locomotives.		Passenger Cars.	
	Number Requiring Repairs.	Estimated Cost of Repairs Required.	Number Requiring Repairs.	Estimated Cost of Repairs Required.
July 1, 1894	47	$40,310 00	49	$4,900 00
July 31, 1894	46	39,710 00	46	4,950 00
August 31, 1894	41	35,340 00	32	3,425 00
September 30, 1894	33	24,640 00	30	5,085 00
October 31, 1894	30	20,240 00	27	3,800 00
November 30, 1894	37	21,000 00	24	2,475 00
December 31, 1894	31	18,900 00	28	3,250 00
January 31, 1895	37	27,550 00	33	3,500 00
February 28, 1895	38	27,650 00	39	5,225 00
March 31, 1895	36	38,400 00	36	5,125 00
April 30, 1895	43	34,225 00	37	4,025 00
May 31, 1895	42	41,300 00	36	6,400 00
June 30, 1895	42	45,200 00	34	3,575 00

Months Ended.	Freight Cars.				
	Number Owned.	Bad Order.		In Service.	
		Number.	Per Cent.	Number.	Per Cent.
July 1, 1894	4,384	153	3.49	4,231	96.51
July 31, 1894	4,379	152	3.47	4,227	96.53
August 31, 1894	4,367	153	3.51	4,214	96.49
September 30, 1894	4,364	107	2.45	4,257	97.55
October 31, 1894	4,353	93	2.10	4,260	97.90
November 30, 1894	4,359	139	3.19	4,220	96.81
December 31, 1894	4,364	99	2.27	4,265	97.73
January 31, 1895	4,366	101	2.31	4,265	97.69
February 28, 1895	4,372	84	1.92	4,288	98.08
March 31, 1895	4,388	97	2.21	4,291	97.79
April 30, 1895	4,395	134	3.05	4,261	96.95
May 31, 1895	4,392	134	3.05	4,258	96.95
June 30, 1895	4,400	146	3.32	4,254	96.68

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Performance and Cost of Operating Locomotives—Entire System.

Item.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
Mileage—				
Passenger	1,378,337	1,321,109	57,228	—
Freight	1,920,525	1,836,875	83,650	—
Switch	836,407	776,392	60,015	—
Work	130,987	102,153	28,834	—
Other service	87,092	67,862	19,230	—
Total	4,353,348	4,104,391	248,957	—
Supplies Used—				
Tons of coal	151,525	149,331	2,194	—
Pints of lubricating oil	276,427	273,700	2,727	—
Pints of all oil	390,005	369,439	20,566	—
Pounds of waste	33,150	27,926	5,224	—
Miles Run—				
Per ton of coal	28.73	27.49	1.24	—
Per pint of lubricating oil	15.74	15.00	.74	—
Per pint of all oil	11.16	11.11	.05	—
Per pound of waste	131.30	147.00	—	15.70
Cost of Operating—				
Repairs	$188,888 00	$172,597 56	$16,290 44	—
Stores	12,263 31	12,168 47	94 84	—
Fuel	321,102 37	346,859 29	—	$25,756 92
Engineers and firemen	266,386 27	255,056 98	11,329 29	—
Wiping and dispatching	49,676 35	47,545 47	2,130 88	—
Other motive power accounts	3,209 46	3,236 54	—	27 08
Total	$841,525 76	$837,464 31	$ 4,061 45	—
Average Cost Per Mile—				
Repairs	$0 0434	$0 0425	$0 0009	—
Stores	0 0028	0 0029	—	$0 0001
Fuel	0 0738	0 0845	—	0 0107
Engineers and firemen	0 0612	0 0621	—	0 0009
Wiping and dispatching	0 0114	0 0116	—	0 0002
Other motive power accounts	0 0007	0 0008	—	0 0001
Total	$0 1933	$0 2044	—	$0 0111
Average number of engines in service monthly	116	113	3	—
Average monthly mileage per engine	3,127	3,027	100	—

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FUEL SUPPLY.

Comparative Statement of Coal Purchased and Consumed During Years Ended June 30th, 1895-1894. Entire System.

Item.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.	Decrease.
Purchased—				
No. of tons purchased	164,168	151,205	12,963	—
Total cost of coal purchased, excluding company freight . . .	$311,561 22	$211,708 19	$99,853 03	—
Amount of company freight included in cost of coal purchased	7,411 31	114,467 84	—	$107,056 53
Total cost of coal purchased, including company freight . . .	318,972 53	326,176 03	—	7,203 50
Average cost of coal per ton, excluding company freight . . .	$1 90	$1 40	$0 50	—
Average cost of coal per ton delivered on line, including company freight	$1 94	$2 16	—	$0 22
Consumed—				
No. of tons consumed	158,426	155,340	3,086	—
Total cost of coal consumed, excluding expense of handling .	$307,213 28	$330,445 98	—	$23,232 70
Total expense of handling coal consumed	$24,908 32	$26,894 36	—	$1,986 04
Average expense per ton of handling coal consumed	15.72 cents.	17.31 cents.	—	1.59 cents.
Total cost of coal consumed including expense of handling . . .	$332,121 60	$357,340 34	—	$25,218 74
Average cost of coal consumed per ton, including expense of handling	$2 10	$2 30	—	$0 20

Compared with results for the preceding fiscal year, the average cost of coal per ton, excluding Company freight, shows an increase of 50 cents, but the average cost of coal per ton delivered on line, including Company freight, shows a decrease of 22 cents. This is explained by the large decrease in the amount of Com-

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pany freight included in cost of coal purchased shown in the foregoing table.

Heretofore, it has been the policy of the Company to purchase a large proportion of the coal used in Texas from the Illinois mines, thus giving the St. Louis Southwestern Railway Company the benefit of the haul from Cairo to Texarkana instead of paying out large sums for freight earnings on Company coal to foreign railroads. During the coal strike, which was inaugurated about May 1st, 1894, and the strike of the American Railway Union, which followed in July, 1894, it was found necessary to temporarily abandon the practice of purchasing coal for the lines in Texas from the Illinois mines, and to purchase such coal elsewhere. Accordingly, arrangements were made to procure coal from mines in the Indian Territory and in Texas, delivered at various points on this line in Texas, which proved so satisfactory that such arrangements have been continued throughout the year. This avoided the long haul of Company coal from Illinois to Texas, thus releasing cars that had been used in hauling Company coal to be utilized in moving commercial freight, a branch of the service in which cars were needed very much owing to the heavy freight traffic that prevailed during the greater portion of the year. The foregoing will account for the small amount of Company freight on coal during the year ended June 30th, 1895, as well as for the large increase in the cost of coal per ton excluding Company freight.

The decrease in the average cost per ton of coal purchased, including Company freight, is 22 cents, while the decrease in the average cost of coal consumed, including Company freight and expense of handling, is 20 cents. The decrease in the cost per ton of coal consumed did not keep pace with the decrease in the cost per ton of coal purchased, because the greater portion of the high priced coal that was purchased in June, 1894, before the close of the preceding fiscal year, was consumed in July and August, 1894.

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The total expense of handling the 158,426 tons of coal consumed during the year ended June 30th, 1895, was $24,908.32, or an average of 15.72 cents per ton. The total cost of handling the 155,340 tons consumed during the year ended June 30th, 1894, was $26,894.36, or an average of 17.31 cents per ton. It will thus be seen that the expense of handling coal during the fiscal year ended June 30th, 1895, has decreased 1.59 cents per ton as compared with the previous fiscal year, which is the result of improved facilities for handling coal in the way of new coal chutes and hoists.

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ENGINEERING DEPARTMENT.

The records of the Engineering Department have been gradually increased during the year. Much special information and many valuable drawings and plans have been filed in the permanent records.

No important right-of-way claims have arisen during the year. Shortly before the close of the fiscal year, a land line party was organized in Texas for the purpose of determining the various land and individual property lines, on the main line of the St. Louis Southwestern Railway of Texas, between Tyler and Gatesville. From the information thus obtained a right-of-way map will be prepared.

IMPORTANT ENGINEERING WORK PERFORMED.

The following important engineering work has been performed during the fiscal year ended June 30th, 1895, in addition to that mentioned elsewhere in this report in connection with improvements and maintenance of the Road and the Bridge and Building Departments:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
PINE BLUFF . . .	Bodcaw Creek, mile post 386, Main Line, Arkansas: The long trestle crossing Bodcaw Creek required rebuilding during the year, and as this bottom is subject at times to overflow, the opportunity was taken to raise the height of the trestle above flood height, and the embankment at the south end of the bottom was also raised to correspond. Red River Bottom, mile post 397 to 404, Main Line, Arkansas: The remaining portions of the old embankment under the extended trestles were removed, leaving a free and unobstructed passage for the flood water.

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IMPORTANT ENGINEERING WORK—*Continued.*

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
DELTA	Trestles Nos. 26 and 28, between mile posts I 19 and I 20 Missouri: These trestles form a portion of the approach to Castor River, but the experience of the past several years having shown them to be unnecessary, preparations were made to fill them, the work of filling now being done by the Road Department forces, otherwise it would have been necessary to rebuild these trestles during the ensuing year.
SHREVEPORT . .	Shreveport, La., Yard: It was deemed advisable, owing to the cramped facilities and the necessity of retaining all privileges which the City of Shreveport had granted some years ago by ordinance, to grade down that portion of the Company's property lying between its switching yard and the line of Commerce Street, and to occupy, with two additional tracks, that portion of Commerce Street stated in the ordinance. This work has been completed and it is now possible to lay several more valuable tracks at this important point.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK.
TEXARKANA . . .	Texarkana, Texas: A design for a new motive power yard was prepared, forty-seven acres of land purchased and work commenced on improvements; this included raising grade and the laying of a second track from the old yard to the new motive power yard.
FT. WORTH . . .	Commerce: Work was commenced on the motive power yard in accordance with the approved design of last year and such work performed as was necessary to provide for actual present necessities. Sabine Bottom: The embankments across this bottom were raised and the trestles adjusted for the flood water. This is in line with the general improvement plan, although the entire design has not yet been carried out.

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IMPORTANT ENGINEERING WORK—*Continued.*

TYLER SOUTHEASTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK.
	CHANGE OF GAUGE.
ENTIRE LINE . .	During the preceding fiscal year, an examination of the Tyler Southeastern Railway was made for the purpose of estimating the cost of changing the gauge from the width of 3 feet to the standard of 4 feet 8½ inches. A report containing an estimate of the cost of the change was submitted during the past fiscal year, and the work of widening and preparing cuts and embankments was commenced in February, 1895. Up to the close of the fiscal year, June 30th, 1895, there had been expended for widening and preparing cuts and embankments, $10,649.02; for spikes, $1,860.00; for changing freight cars, $4,934.22; and for changing hand cars, $315.43, making a total expenditure on this account, to June 30th, 1895, of $17,758.67. Since the close of the past fiscal year, the gauge has been changed, the work having been completed on August 31st, 1895, and on September 1st, 1895, standard gauge trains commenced running over the road. Considerable work yet remains to be done in widening and preparing cuts and embankments, although the work in the most important places has been completed. All renewals of ties for several years past have been made with standard gauge ties, therefore, at the date of actual change, the road was comparatively well laid with standard gauge ties. The change in bearing has made it necessary to put in quite a number of additional ties, and this work will be continued for several months. All narrow gauge equipment in serviceable condition, will be changed to standard gauge. The widening of the gauge of the Tyler Southeastern Railway, makes the entire System the standard of 4 feet 8½ inches. It will result in a large saving in operating expenses by doing away with the necessity of transferring freight, and by the consolidation of shop and office forces, and will also greatly stimulate the lumber and other business interests located on the line. If the road should be extended to Rockland, a distance of about thirty miles, it would penetrate the finest long leaf pine district in the State, and a number of mills would be established at once.

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TELEGRAPH DEPARTMENT.

Entire System.

The telegraph wires are operated jointly by the Western Union Telegraph Company and this Company.

Owing to the demands of increasing business, it became necessary during the fiscal year ended June 30th, 1895, to erect an exclusive railroad telegraph wire on the Sherman Branch in Texas, between Mt. Pleasant and Commerce, increasing the number of miles of wire owned by the Railroad Company fifty-seven miles.

The following table shows the mileage of telegraph lines and wires operated, also a statement of the expense of operation and repairs in this department, for the fiscal year ended June 30th, 1895, as compared with the preceding fiscal year:

Description.	Year ended June 30, 1895.	Year ended June 30, 1894.	Increase.		Decrease.	
Mileage—						
Owned by this Company.						
Miles of Line	1,223.0	1,223.0	—		—	
Miles of Wire (on poles owned by W. U. Tel. Co.)	1,013.0	956.0	57.0		—	
Owned by Western Union Tel. Co.						
Miles of Line	1,223.0	1,223.0	—		—	
Miles of Wire	2,808.0	2,808.0	—		—	
			Increase.	Per Cent.	Decrease.	Per Cent.
Expenses—						
Salaries of Telegraph operators	$61,282 37	$60,700 09	$582 28	.96	—	—
Supplies used by operators	1,300 76	1,672 71	—	—	$371 95	22.24
Repairs of Telegraph Line	4,685 62	4,029 01	656 61	16.30	—	—
Totals	$67,268 75	$66,401 81	$866 94	1.31	—	—

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HOSPITAL SERVICE.

The hospital service has been efficiently and economically managed during the fiscal year ended June 30th, 1895, the contributions from employes continuing sufficient for the maintenance of this department.

Briefly summarized, the operations in this department, during the past fiscal year, are as follows:

Patients in Hospital at last report	36	
Patients admitted during the year	1381	
		1417
Number discharged	1360	
Number of deaths	10	
Patients remaining in Hospital June 30th, 1895	47	
		1417
Number of dispensary cases treated at Cairo, Jonesboro, Pine Bluff, Waco and Tyler, during the year		5223
Total number of employes receiving hospital benefits		6640

Based on the number of patients treated in the Hospital at Tyler, Texas, the death rate was .7 of one per cent., against 1.06 per cent. for the preceding year.

The emergency station at Pine Bluff, Ark., was closed January 1st, 1895, and arrangements made with a local drug firm to fill prescriptions, thereby effecting a saving at that point of about $200.00 per month.

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GENERAL REMARKS.

Comparative statistical and analytical data appertaining to the operations of the property for the past seven years, and Income and Financial Exhibits for each of the separate corporations forming your system of railways for the fiscal year ended June 30th, 1895, will be found in the Appendix to this Report.

Inspection of the detailed exhibits of the several departments will demonstrate that the road and its equipment have been much improved, and many permanent betterments added during the year. It is the policy of the management to dispose of light power and rail whenever a favorable opportunity offers, and to replace these with heavier power and rail; to continue the work of ballasting with rock and gravel, reducing grades whenever practicable, etc., all of which tends to the reduction of operating expenses; conducive also to that result being the adoption recently of 75-lb. section of steel rail as the standard.

Rates were generally well maintained in the Southwestern territory until about June 1st, 1895, when demoralization set in, and continued for more than thirty days. It seems to be the policy of some roads to seek a pretext once or twice a year for carrying both freight and passengers at greatly reduced and unremunerative rates. The public as a whole is not benefited, and only the financially strong concerns and individuals can take advantage of these temporary low rates by making large shipments, thus enabling them to undersell their weaker competitors, and either drive them out of business, or into bankruptcy, or both. The public is interested only in the maintenance of uniform, reasonable rates. Experience has demonstrated that rates cannot be uniformly maintained without an amendment to the Interstate Commerce Act permitting pooling under reasonable

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restrictions. It is earnestly hoped and confidently expected that Congress will pass such an act in the near future.

The yield of corn, fruit and vegetables in the section of country traversed by these lines during the season of 1895 is the largest ever produced. This has been caused by the favorable season, increase in population, and the determination on the part of the Southern people to produce their own bread and meat and other family supplies at home.

On account of the low price of cotton that has prevailed for the past two seasons, it was recommended by the American Cotton Growers' Association, through its President, the Hon. Hector D. Lane, of Alabama, that the cotton acreage be diminished. This recommendation was acquiesced in by the planters, and it is estimated that the cotton acreage of the United States for the present season was reduced about ten or fifteen per cent. This, in connection with an unfavorable season for the growth and development of the plant, it is estimated, will reduce the yield in the section of country tributary to these lines, about one-third. This reduction in cotton tonnage and revenue derived therefrom, it is believed, will be largely overcome by increases in other commodities, and in the general improvement in the business of the country.

The necessity for the change of gauge from narrow to standard of the Tyler Southeastern Ry. was so apparent that this work was ordered to be commenced in the early spring, and continued until completed, September 1st, 1895. For the past five years all renewals of ties, bridges, culverts, etc., have been of standard gauge. The amount of money expended for this purpose during the fiscal year ended June 30th, 1895, is charged to Operating Expenses, but is explicitly stated.

It is again recommended that your Company build a short line of fourteen miles to the city of Dallas, Texas; and that the Hillsboro (Texas) line be extended to Whitney, a distance of thirteen miles, making connections at that point with the Texas

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Central. The Tyler Southeastern should be extended through the long-leaf pine forests at least twenty miles in the direction of Sabine Pass.

Arrangements have been perfected by which your Company will have another and desirable outlet for its business (particularly lumber and cotton) by way of Delta, Cape Girardeau, Mo., and the Chicago, Paducah and Memphis, and Chicago and Texas railroads to a connection with the Wabash at Altamont, Ill. It is believed that the opening of this new line will add much to the value of your property.

Emigration from the Northwest as well as from the Southeast continues to move into the country contiguous to your lines of railway, and the general improvement in the development of the Southwest continues.

The relations between the employes and the management are of the most pleasant character, and in the face of a reduction in wages which prevailed during the fiscal year 1894-95, better results were obtained than in any previous year in the road's history. I am pleased in this connection to accord the thanks of the management to the various heads of departments, and through them to their assistants and employes, for the faithful performance of their respective duties. You will doubtless be pleased to know that a Savings Association has been organized and incorporated under the laws of the State of Arkansas by the employes of your Company, for the sole purpose of investing their earnings in the securities of your railway, and many thousands of dollars are now invested by them in these securities.

The future prospects for the property predicted in the preceding annual report have so far been more than realized.

Very respectfully,

S. W. FORDYCE,

President.

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APPENDIX.

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Comparative Statistics.

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I.

Gross Earnings by Months—Entire System—For Seven Years ended June 30th, 1895.

Miles Operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.
July	$227,185 56	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34
October	383,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83
November	335,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31
Total	$3,377,838 03	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57

II.

Operating Expenses by Months—Entire System—For Seven Years ended June 30th, 1895.

(including betterments.)

July	$268,005 81	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49
September	354,923 07	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323.707 58	323,266 26
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75
Total	$3,404,516 05	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for Betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of Interest on Bonds and other fixed charges, in excess of the Net Earnings.

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III.

Net Earnings by Months—Entire System—For Seven Years ended June 30th, 1895.

Miles Operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.
July	**$ 40,820 25**	$ 57,925 86	**$ 94,541 68**	$ 28,143 21	$ 33,419 13	**$ 6,238 95**	$ 24,380 98
August	**110,319 00**	63,684 82	**72,856 61**	42,216 83	70,890 01	18,544 96	76,029 04
September	**58,634 85**	112,910 01	**80,758 95**	122,912 69	76,906 56	45,144 11	89,229 04
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08
November	**21,458 47**	80,164 07	**67,782 70**	140,302 82	137,543 42	191,920 89	240,172 30
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63
January	**4,640 91**	**503 27**	**47,154 18**	5,998 14	93,103 66	36,866 51	136,492 65
February	5,348 11	**57,005 96**	**36,578 60**	52,738 89	39,228 41	14,471 94	69,346 81
March	31,265 12	**42,296 43**	**26,826 78**	46,715 03	61,309 14	57,870 71	81,693 31
April	16,946 12	**86,501 97**	**53,497 84**	5,353 66	8,155 87	785 25	15,258 33
May	1,481 40	**82,531 70**	**36,860 81**	6,617 06	5,467 54	5,801 77	16,451 75
June	34,107 92	**108,668 77**	**63,620 07**	**26,120 14**	840 57	8,483 95	**17,022 44**
Total	**$26,678 02**	$226,462 28	**$525,999 75**	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48

Note.—Heavy-faced type denotes deficit.

IV.

Betterments (included in Operating Expenses) by Months—Entire System—For Seven Years ended June 30th, 1895.

July	$ 28,054 58	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50
April	5,554 76	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67
Total	$381,221 15	$786,157 61	$1,089,159 83	$129,266 71	$182,665 06	$113,547 81	$197,086 33

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for Betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of Interest on Bonds and other fixed charges, in excess of the Net Earnings.

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V.

Summary of Financial Results from Operation

For Seven Years ended June 30th, 1895—Entire System.

Fiscal Year ended June 30th.	Miles Operated.	Gross Earnings.	Operating Expenses. (Including Betterments.)		Net Earnings.	All Other Receipts.	Total Income.	Fixed and Other Charges Against Income.	Balance.	
			Amount.	Per Cent. of Gross Earnings					Surplus.	Deficit.
1889	1,187.8	$3,377,838 03	$3,404,516 05	100.79	**$ 26,678 02**	$ 875 00	**$ 25,803 02**	$1,010,330 55	—	$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—

NOTE.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for Betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of Interest on Bonds and other fixed charges, in excess of the Net Earnings.

Heavy-faced type denotes deficit.

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VI.

Traffic Statistics for Seven Years Ended June 30th, 1895—Entire System.

Freight.

Fiscal Year ended June 30.	Miles Operated.	Number of Tons Carried.	* Freight Revenue.	Number of Tons Carried One Mile.	Freight Train Mileage, Including ¾ of Mixed Train Mileage.	Average Freight Revenue Per Mile of Road.	Average Revenue Per Ton.	Average Revenue Per Ton Per Mile.	Average Distance Haul of One Ton (Miles).	Average Revenue Per Freight Train Mile.
1889	1,187.8	898,125	$2,662,170 13	203,004,973	1,729,767	$2,241 26	$2.9641	$0.0131	226.03	$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2.9410	0.0131	223.99	1.8403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203

* Actual Earnings derived from hauling Freight, not including any portion of Miscellaneous Earnings.

VII.

Passenger.

Fiscal Year ended June 30.	Miles Operated.	Number of Passengers Carried.	* Passenger Revenue.	Number of Passengers Carried One Mile.	Passenger Train Mileage, Including ¼ of Mixed Train Mileage.	Average Passenger Revenue Per Mile of Road.	Average Revenue Per Passenger.	Average Revenue Per Passenger Per Mile.	Average Distance One Passenger Carried (Miles).	Average Revenue Per Passenger Train Mile.
1889	1,187.8	560,728	$557,745 10	21,154,434	875,328	$469 56	$0.9947	$0.0264	37.73	$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452

* Actual Earnings derived from hauling Passengers, not including Mail and Express nor any portion of Miscellaneous Earnings.

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VIII.

Train and Car Mileage Statistics for Seven Years Ended June 30th, 1895—Entire System.

Freight.

Fiscal Year ended June 30.	No. of Miles Run by all Freight Trains (Including Mixed Trains).	Number of Miles Run by Freight Cars.					No. of Miles Run by Home Freight Cars on Foreign Lines.	Percentage of Empty Car Mileage to Total Car Mileage.	Average No. of Cars in each Freight Train.			Average Load.		Average No. of Miles Run Per Car Per Day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per Loaded Car (Tons).	Per Train (Tons).	On this Line.		On Fr'gn Lines
														Home	Fr'gn.	Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18

IX.

Passenger.

Fiscal Year ended June 30.	No. of Miles Run by Passenger Trains (Not Including Mixed Trains)	Number of Miles Run by Passenger Cars.			Average No. of Cars moved in each Passenger Train.	Average No. of Miles Run Per Car Per Day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129

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Income and Financial Exhibits.

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X.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1895.

To OPERATING EXPENSES, year ended June 30th, 1895—			By EARNINGS, year ended June 30th, 1895—		
Conducting Transportation	$879,769 04		Freight	$2,507,488 94	
Motive Power	486,466 44		Passenger	447,884 29	
Maintenance of Cars	164,943 57		Mail	59,596 14	
Maintenance of Way	520,975 43		Express	44,949 60	
General Expenses	104,087 92	$2,156,242 40	Telegraph	3,169 79	
			Miscellaneous	34,982 08	$3,098,070 84
Net Earnings from Operation	—	941,828 44			
		$3,098,070 84			$3,098,070 84
To Accrued Interest on First Mortgage Bonds (4%)	—	$ 800,000 00	By Net Earnings, year ended June 30th, 1895, brought down	—	$ 941,828 44
Taxes Accrued	—	65,322 19	Interest on Bonds owned—		
Sundry Amounts	—	20,104 75	St. Louis Southwestern Ry. Co. of Tex., First Mortgage . . $9,445,000.00 @ 4%	$ 377,800 00	
Total Debits	—	$ 885,426 94	Tyler Southeastern Ry. Co., First Mortgage . . . $660,000.00 @ 4%	26,400 00	
Surplus Income for Fiscal Year ended June 30th, 1895, carried to credit of Profit and Loss Account	—	473,890 00	Paragould Southeastern Ry. Co., First M't'ge (18 mos.) . $25,000.00 @ 6%	2,250 00	$ 406,450 00
			Sundry Amounts	—	11,038 50
		$1,359,316 94	Total Credits	—	$1,359,316 94

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1895.

To Proportion of Discount on First Mortgage Certificates sold	$ 27,638 54	By Balance to credit of Profit and Loss Account at the beginning of Current Fiscal Year, July 1st, 1894	$1,162,677 12
Balance to credit of Profit and Loss Account, June 30th, 1895	1,748,916 16	Surplus Income from Operation for Fiscal Year ended June 30th, 1895, as per foregoing statement	473,890 00
		Proportion of Surplus Securities received from the Reorganization Committee	139,987 58
	$1,776,554 70		$1,776,554 70

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1895.

To Cost of Road and Equipment		—	$47,034,584 06	By Capital Stock—	
Construction Accounts		—	21,530 95	Preferred	$20,000,000 00
Real Estate		—	27,327 95	Common	16,500,000 00 $36,500,000 00
Investments in Stocks and Bonds—				Bonds—	
Capital Stock St. L. S. W. Ry. Co. of Texas		$2,500,000 00		First Mortgage (4%)	$20,000,000 00
Capital Stock Tyler Southeastern Ry. Co.		250,000 00		Second Mortgage Income (4%)	8,000,000 00 28,000,000 00
First Mortgage Bond St. L. S. W. Ry. Co. of Texas		9,445,000 00		Equipment Trust Obligations	— 235,249 81
Second Mortgage Income Bond St. L. S. W. Ry. Co. of Texas		4,722,500 00		Sundry Accounts Payable	— 641,359 58
First Mortgage Bond Tyler Southeastern Ry. Co.		660,000 00		Interest on Bonds—due and accrued	— 173,793 33
Second Mortgage Income Bond Tyler Southeastern Ry. Co.		330,000 00		Miscellaneous Accounts	— 79,048 73
St. Louis Southwestern Ry. Co.:				*Balance to credit of Profit and loss Account, June 30th, 1895, as per detailed exhibit on preceding page*	— 1,748,916 16
Capital Stock—					
Preferred	$106,350.00				
Common	143,900.00				
1st Mtg. Certificates	325,000.00				
" Fractional Scrip	137.70				
2d Mtg. Income Certificates	31,000.00				
" Fractional Scrip	227.50	606,615 20			
Paragould Southeastern Ry. Co.: Capital Stock, $25,000.00; First Mortgage Bonds 25,000.00 } Cost to Co.		25,000 00			
First Mortgage Bonds Gulf and Ship Island Ry., par value $15,000, purchased for		1,500 00	18,540,615 20		
Advances to Sundry Agents—to be accounted for		—	16,085 66		
Cash		—	79,056 15		
Sundry Accounts Collectible		—	79,834 38		
Supplies on hand		—	170,403 87		
St. Louis Southwestern Ry. Co. of Texas, General Account		—	1,314,552 60		
Tyler Southeastern Ry. Co., General Account		—	94,376 79		
			$67,378,367 61		$67,378,367 61

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XII.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1895.

To OPERATING EXPENSES, year ended June 30th, 1895—			By EARNINGS, year ended June 30th, 1895—		
Conducting Transportation	$ 523,454 12		Freight	$1,478,051 81	
Motive Power	454,279 36		Passenger	412,102 49	
Maintenance of Cars	110,640 64		Mail	54,405 20	
Maintenance of Way	515,054 22		Express	23,644 80	
General Expenses	80,060 76	$1,683,489 10	Telegraph	3,632 46	
			Miscellaneous	21,668 47	$1,993,505 23
Net Earnings from Operation	—	310,016 13			
		$1,993,505 23			$1,993,505 23
To Accrued Interest on First Mortgage Bond (4%)	—	$ 377,800 00	By Net Earnings, year ended June 30th, 1895, brought down	—	$ 310,016 13
Taxes Accrued	—	47,950 29	Sundry Amounts	—	10,381 03
Sundry Amounts	—	19,616 75			
			Total Credits	—	$ 320,397 16
			Deficit for Fiscal Year ended June 30th, 1895, carried to debit of Profit and Loss Account	—	124,969 88
Total Debits	—	$ 445,367 04			$ 445,367 04

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1895.

To Balance to debit of Profit and Loss Account, July 1st, 1894	$1,063,362 65	By Proportion of Surplus Securities St. L. S. W. R'y received from the Reorganization Committee	$ 133,593 64
Deficit from operation for Fiscal Year ended June 30th, 1895, as per foregoing statement	124,969 88	*Balance to debit of Profit and Loss Account, June 30th, 1895*	1,081,115 05
Proportion of Discount on First Mortgage Certificates, St. L. S. W. R'y sold	26,376 16		
	$1,214,708 69		$1,214,708 69

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1895.

To Cost of Road and Equipment	—	$17,142,094 87	By Capital Stock (Common)	—	$ 2,500,000 00
Cash	—	77,153 06	Bonds—		
Sundry Accounts Collectible	—	50,107 01	First Mortgage (4%)	$ 9,445,000 00	
Supplies on hand	—	81,008 70	Second Mortgage Income (4%)	4,722,500 00	14,167,500 00
Miscellaneous Accounts	—	1,191 14	Equipment Trust Obligations	—	235,249 81
Tyler Southeastern Ry. Co., Gen'l Acc't.	—	43,171 70	Sundry Accounts Payable	—	258,539 12
Balance to debit of Profit and Loss Account, June 30th, 1895, as per detailed exhibit on preceding page	—	1,081,115 05	St. Louis Southwestern Ry. Co., General Account	—	1,314,552 60
		$18,475,841 53			$18,475,841 53

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XIV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1895.

To OPERATING EXPENSES, year ended June 30th, 1895—			By EARNINGS, year ended June 30th, 1895—		
Conducting Transportation	$ 38,844 94		Freight	$ 86,622 75	
Motive Power	32,650 60		Passenger	29,317 83	
Maintenance of Cars	17,856 31		Mail	5,326 64	
Maintenance of Way	42,945 46		Express	3,405 60	
General Expenses	5,192 28	$ 137,489 59	Telegraph	325 84	
			Miscellaneous	599 84	$ 125,598 50
			Deficit from Operation	—	11,891 09
		$ 137,489 59			$ 137,489 59
To Deficit, year ended June 30th, 1895, brought down	—	$ 11,891 09	By Sundry Amounts	—	$ 649 66
Accrued Interest on First Mortgage Bond (4 %)	—	26,400 00	Total Credits	—	$ 649 66
Taxes Accrued	—	4,456 53	*Deficit for Fiscal Year ended June 30th, 1895, carried to debit of Profit and Loss Account*	—	42,730 64
Sundry Amounts	—	632 68			
Total Debits	—	$ 43,380 30			$ 43,380 30

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1895.

To Balance to debit of Profit and Loss Account July 1st, 1894	$ 101,263 46	By Proportion of Surplus Securities, St. Louis Southwestern Ry., received from the Reorganization Committee	$ 9,336 28
Deficit from operation for Fiscal Year ended June 30th, 1895, as per foregoing statement	42,730 64	*Balance to debit of Profit and Loss Account June 30th, 1895*	136,501 14
Proportion of Discount on First Mortgage Certificates St. Louis Southwestern Ry. sold	1,843 32		
	$ 145,837 42		$ 145,837 42

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XV.

TYLER SOUTHEASTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1895.

To Cost of Road and Equipment	—	$1,245,690 12	By Capital Stock (Common)	—	$ 250,000 00
Miscellaneous Accounts	—	72 23	Bonds—		
Balance to debit of Profit and Loss Account June 30th, 1895, as per detailed exhibit on preceding page	—	136,501 14	First Mortgage (4%)	$660,000 00	
			Second Mortgage Income (4%)	330,000 00	990,000 00
			Donated Town Lot Sales	—	4,715 00
			St. Louis Southwestern Ry. Co., General Account	—	94,376 79
			St. Louis Southwestern Ry. Co. of Texas, General Account	—	43,171 70
		$1,382,263 49			$1,382,263 49

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PROPERTY OF
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LEGAL DEPARTMENT
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FIFTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1896.

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FIFTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTE
RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF T

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1896.

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Post, Apr. 3, 1896.

The Southwestern Leases Terminal Privileges.

[Special Despatch to The Evening Post.]

ST. LOUIS, April 3.—A fifty-year contract has been approved by the bondholders' committee of the St. Louis, Cape Girardeau and Fort Smith Railroad, with the St. Louis Southwestern, the Southwestern giving trackage rights from Delta, Mo., to Cape Girardeau, and the use of the terminals at that place. The fifteen miles of road will be relaid with new steel rails, and the terminal facilities will be improved. The receiver has been authorized to issue $50,000 of bonds for this purpose. The foreclosure claims have been delayed on account of litigation over claims of creditors amounting to over $150,000, which it is sought to place ahead of the mortgage.

The New York News Bureau.

TELEPHONE: 981 BROAD. NO. 41 BROAD STREET.

No. 38. 1896. Tuesday, May 26.

MISCELLANEOUS NEWS.

Jefferson City, Mo.—The Gray's Point Terminal Company has been chartered to build and operate a road from Delta in Cape Girardeau County to a point on the Mississippi River in Scott County; capital stock $500,000.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FIFTH ANNUAL REPORT

TO THE

DIRECTORS AND STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1896.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING CO., 309 to 319 North Third Street.
1896.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1895.

S. W. FORDYCE	ST. LOUIS, MO.
EDWIN GOULD	DOBBS FERRY, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
ROBERT MOORE	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.
WINSLOW S. PIERCE	NEW YORK, N. Y.

Annual Meeting of Stockholders for election of Directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1896.

S. W. FORDYCE	St. Louis, Mo.
W. W. SELBY	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
J. A. EDSON	Tyler, Tex.
EDWIN GOULD	Dobbs Ferry, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1896.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Irvington, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
T. F. MURCHISON	Athens, Tex.
J. P. DOUGLAS	Tyler, Tex.
J. A. EDSON	Tyler, Tex.

Annual Meeting of Stockholders for election of Directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	*President*	ST. LOUIS, MO.
EDWIN GOULD	*Vice-President*	DOBBS FERRY, N. Y.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
S. H. WEST	*Assistant Attorney*	ST. LOUIS, MO.
J. A. EDSON	*General Superintendent*	TYLER, TEX.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Ass't Secretary and Treasurer*	ST. LOUIS, MO.
R. S. DAVIS	*General Freight Agent*	ST. LOUIS, MO.
H. E. FARRELL	*Assistant General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agt.*	ST. LOUIS, MO.
H. G. KELLEY	*Chief Engineer*	TEXARKANA, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*President*	St. Louis, Mo.
EDWIN GOULD	*First Vice-President*	Dobbs Ferry, N. Y.
J. A. EDSON	*Second Vice-Pres't and Gen'l Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
GEORGE ERBELDING	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Chief Engineer*	Texarkana, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Irvington, N. Y.
J. A. EDSON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Chief Engineer*	Texarkana, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 1, 1896.

To the Board of Directors and Stockholders of the St. Louis Southwestern Railway Company:

Herewith, is respectfully submitted the Fifth Annual Report, showing the operations of your Company and the lines controlled by it, for the fiscal year ended June 30th, 1896, together with analytical statements showing the financial and physical condition of the same at the close of the fiscal year.

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MILEAGE OPERATED.

The track mileage operated, on which all computations pertaining to earnings, expenses and traffic statistics are based, is shown in the following table:

MILEAGE OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main Track.	Side Track.	Total.
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—			
Main Line	418.0	101.2	519.2
New Madrid Branch	5.7	.2	5.9
Delta Branch	51.4	8.2	59.6
Little Rock Branch	41.7	4.4	46.1
Magnolia Branch	6.4	.3	6.7
Shreveport Branch	59.5	7.7	67.2
Total	582.7	122.0	704.7
ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS—			
Main Line	304.6	49.6	354.2
Sherman Branch	109.9	14.3	124.2
Ft. Worth Branch	97.2	13.8	111.0
Hillsboro Branch	40.0	4.1	44.1
Total	551.7	81.8	633.5
TYLER SOUTHEASTERN RAILWAY COMPANY—			
Main Line	88.6	7.9	96.5
ENTIRE SYSTEM—Total Mileage	1,223.0	211.7	1,434.7

The main track mileage remains the same as at the close of the preceding fiscal year. During the fiscal year ended June 30th, 1896, there have been laid 5.91 miles of new side and passing tracks for railroad purposes and 4.01 miles of new private and spur tracks for saw mills and other local industries, making a total of 9.92 miles of new side track. There have been taken up 5.06 miles of old side track, making a net increase of 4.86 miles in side track during the fiscal year ended June 30th, 1896.

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FINANCIAL RESULTS FROM OPERATION.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1896, compared with the preceding fiscal year:

ENTIRE SYSTEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Gross earnings	$4,904,489 86	$5,217,174 57	—	$312,684 71
Operating expenses (including betterments)	4,132,374 54	3,977,221 09	$155,153 45	—
Net earnings	$ 772,115 32	$1,239,953 48	—	$467,838 16
All other receipts	10,076 70	24,319 19	—	14,242 49
Total income over operating expenses	$ 782,192 02	$1,264,272 67	—	$482,080 65
Fixed and other payments charged against income:				
Accrued interest on first mortgage bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes accrued	128,551 97	117,729 01	$ 10,822 96	—
Interest and exchange	16,184 97	22,536 18	—	$ 6,351 21
All other payments	15,305 14	17,818 00	—	2,512 86
Total charges against income	$ 960,042 08	$ 958,083 19	$ 1,958 89	—
Surplus income carried to credit of profit and loss account	—	$ 306,189 48	—	—
Deficit carried to debit of profit and loss account	$ 177,850 06	—	—	$484,039 54

It should be noted, at the outset, and borne in mind when examining statements contained in this report, that the results of operation for the fiscal year ended June 30th, 1896, are compared with similar results for the fiscal year ended June 30th, 1895, the most prosperous business year in the history of your property.

The gross earnings and operating expenses compare very favorably with those of previous years. During the five years ended June 30th, 1895, the gross earnings averaged $4,781,636.85 per year, or $122,853.01 less than for the fiscal year ended June 30th, 1896; and during the five years ended June 30th, 1895, the operating expenses averaged $4,161,289.92 per year, or $28,915.38 more than for the fiscal year ended June 30th, 1896.

During the fiscal year ended June 30th, 1896, the principal factors adversely affecting operating results were, first, an

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unusual shortage in the cotton crop of 1895-96; second, the usual business stagnation incident to presidential election years, and third, the commercial inactivity due to the unsettled condition of the financial system of the country. These conditions have adversely affected the movement of both freight and passenger traffic in no small degree; nor have they thus affected your property alone. An examination of the results of operation of other roads extending through contiguous territory reveals a shrinkage in their revenues, traceable to the same causes, to as great an extent as in those of your Company. It is hoped that financial confidence may be fully restored after the Fall elections. That result being accomplished, early resumption of business activity is assured, as inactivity could not long prevail, under normal financial conditions, in that section of the country traversed by your lines of railway, in the face of its natural and almost unlimited timber, agricultural and commercial resources in process of development.

In considering the causes for the decrease in gross earnings and the increase in operating expenses the following results of comparisons with the preceding year will be found interesting:

FISCAL YEAR ENDED JUNE 30TH, 1896, COMPARED WITH 1895.

Gross earnings	decrease	$312,684 71	or	5.99%
Freight earnings	decrease	386,524 82	or	9.49%
Passenger earnings	increase	54,842 01	or	6.17%
Mail, express, telegraph and miscellaneous earnings	increase	18,998 10	or	7.43%
Operating expenses (including betterments and extraordinary expenses)	increase	155,153 45	or	3.90%
Betterments and extraordinary expenses	increase	72,672 58	or	34.99%
Operating expenses (exclusive of betterments and extraordinary expenses)	increase	82,480 87	or	2.19%
Total tonnage (tons)	increase	16,821	or	1.14%
Lumber (tons)	increase	59,694	or	8.55%
Cotton (tons)	decrease	65,401	or	40.12%
All other commodities (tons)	increase	22,528	or	3.70%
Total number of passengers carried	increase	96,571	or	11.51%
Total train mileage (miles)	increase	129,317	or	3.92%

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The decrease in gross earnings is caused by the decrease in freight earnings, due in a large measure, as before stated, to the shortage in the cotton crop of the season of 1895-96. The total tonnage transported during the year shows an increase of 1.14 per cent., caused by the increase in tonnage of lumber of 8.55 per cent., which more than offsets the decrease in the percentage of the tonnage of cotton and other commodities transported, viz., 5.55 per cent. Lumber being a low-class freight and cotton being a high-class freight (the rate per cwt. being much higher on the latter commodity than on the former), the effect was to materially reduce the gross revenue derived from freight traffic. Passenger earnings and mail earnings both show substantial increases, which partially offset the decrease in freight earnings.

The increase in operating expenses of 3.90 per cent. was due almost entirely to circumstances over which the management had no control and which could not be foreseen.

Compared with the preceding fiscal year, there has been an increase in the amounts expended for betterments (included in operating expenses) of $13,808.59, or 7.01 per cent. The larger portion of the expenditure for betterments during the current fiscal year was on account of necessary betterment work commenced in the preceding fiscal year (during a period of prosperity), and which, for practical and economical reasons, rendered it advisable to have the same completed during the current fiscal year. While the operating expenses have been increased by these expenditures, the fact that the physical condition of your property has been much improved, its earnings capacity increased, and its value thereby greatly enhanced, should not be overlooked.

There has been an increase of $58,863.99, or 553.81 per cent., in expenditures of an extraordinary nature which could not be avoided.

Especial attention is called to the following principal items of betterments and extraordinary expenses, of the nature referred

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to in the foregoing paragraphs, included in operating expenses for the fiscal year ended June 30th, 1896:

BETTERMENTS.

Changing gauge of Tyler Southeastern Railway from narrow to standard (commenced last year)	$ 45,193 99
Improvements to Texarkana shops and shop grounds (commenced last year)	30,783 32
Applying air brakes and automatic couplers to freight cars, in accordance with requirements of Act of Congress	17,849 84

EXTRAORDINARY EXPENSES.

Cost of protecting Arkansas river bridge and west bank of river at that location, which was washed out December 25th, 1895	12,452 44
Judgment and costs in suit of Mrs. S. C. Rasberry, *et al.*, for death of Julius Rasberry, fireman, killed by explosion of T. S. E. engine, February 8th, 1893	15,627 00
Judgment and costs in suit of Mrs. Annie McMahon, *et al.*, for death of H. McMahon, hostler, killed by explosion of T. S. E. engine, February 8th, 1893	12,136 67
Judgment and costs in suit of R. W. Holbrook, for personal injuries received June 7th, 1889	12,041 05
Total	$146,084 31

The increase in operating expenses, excluding the total amounts expended for betterments and extraordinary expenses in both years, is only 2.19 per cent., which is very gratifying when compared with the increase of 1.14 per cent. in total tonnage transported, 11.51 per cent. in total number of passengers carried and 3.92 per cent. in total train mileage.

A careful perusal of the statement of earnings, expenses, net earnings and taxes under the heading of "Financial Exhibits" on page 16, and of the information given under the headings of "Traffic," pages 32 to 41, and "Conducting Transportation," pages 42 to 45, is invited, as therein will be found a more complete and detailed analysis of the conditions affecting the freight and passenger revenues and operating expenses for the fiscal year ended June 30th, 1896.

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FINANCIAL EXHIBITS.

Immediately following will be found exhibits of the income account for the current fiscal year, profit and loss account to June 30th, 1896, and the condensed balance sheet June 30th, 1896. A complete analysis in the form of comparative statements will also be found, showing the changes that have taken place in the various accounts composing the income account, profit and loss account and condensed balance sheet since the preceding fiscal year, also your Company's financial condition at the close of the fiscal year ended June 30th, 1896, and finally a summary of the year's resources and the manner in which they were appropriated, in the following order, to wit:

Earnings, expenses and taxes,	Exhibit	A.
Betterments and extraordinary expenses,	"	A.
Accrued interest on bonds,	"	B.
Taxes accrued,	"	C.
Interest and exchange,	"	D.
All other payments,	"	E.
Interest on bonds owned,	"	F.
All other receipts,	"	G.
Cost of road and equipment,	"	H.
Construction accounts,	"	I.
Real estate,	"	J.
Investments in stocks and bonds,	"	K.
Capital stock,	"	L.
Funded debt,	"	M.
Equipment trust obligations,	"	N.
Floating debt,	"	O.
Miscellaneous accounts,	"	P.
Summary of financial transactions,		

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Income Account—Entire System.

Year Ended June 30th, 1896.

To Expenses (see exh. A, page 16):			By Earnings (see exh. A, page 16):		
Conducting transportation	$1,442,403 55		Freight	$3,685,638 68	
Motive power	991,591 29		Passenger	944,146 62	
Maintenance of cars	344,517 56		Mail	143,208 89	
Maintenance of way	1,133,998 51		Express	72,000 00	
General expenses	219,863 63	$4,132,374 54	Telegraph	6,648 20	
			Miscellaneous	52,847 47	$4,904,489 86
Net earnings	—	772,115 32			
		$4,904,489 86			$4,904,489 86
To Accrued interest on bonds (see exh. B, p. 21):	—	$ 800,000 00	By Net earnings brought down		$772,115 32
Taxes accrued " C " 21	—	128,551 97	Interest on bonds owned (see exh. F, page 22)	—	8,366 68
Interest and exchange " D " 22	—	16,184 97	All other receipts (see exh. G, p. 23)	—	1,710 02
All other payments " E " 22	—	15,305 14	Total credits	—	$782,192 02
			Deficit for fiscal year ended June 30th, 1896, carried to debit of profit and loss account	—	177,850 06
Total debits	—	$960,042 08			$960,042 08

Profit and Loss Account—Entire System—June 30th, 1896.

To Deficit from operation for fiscal year ended June 30th, 1896, brought down	$ 177,850 06	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1895	$ 531,299 97
Discount on first and second mortgage certificates and fractional scrip sold	64,827 34		
Balance to credit of profit and loss account, June 30th, 1896	288,622 57		
	$ 531,299 97		$ 531,299 97

Note.—See appendix for income account and profit and loss account of each Company separately.

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Condensed Balance Sheet—Entire System.

June 30th, 1896.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. H, page 23)		$65,446,910 67	+ $24,541 62
Construction accounts (see exh. I. page 24)		21,530 95	—
Real estate (see exh. J, page 24)		27,327 95	—
Investments (see exh. K, page 24):			
Stocks and bonds owned		416,750 00	- 216,365 20
Current assets, viz. (see exh. O, page 29):			
Cash	$150,344 66	—	- 5,864,55
Sundry accounts collectible	171,268 51	—	+ 46,336 19
Advances to sundry agents	6,333 88	—	- 9,751 78
Prepaid insurance	2,266 70	—	- 1,091 20
	$330,213 75	—	—
Supplies on hand	289,274 13	—	+ 37,861 56
		619,487 88	
		$66,532,007 45	- $124,333 36

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock (see exh. L, page 27):			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt (see exh. M, page 27):			
1st mortgage bonds (4%)	$20,000,000 00		
2d mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations (see exh. N, page 28)		359,092 60	- $111,407 02
Deferred liabilities, viz. (see exh. O, page 29):			
Notes payable—due on stated dates after July 1st, 1896	$312,415 00	—	+ 297,284 35
Interest on bonds—accrued, not due until Nov. 1st, 1896	133,333 33	—	—
Taxes accrued year 1896—not due until 1897	61,870 10	—	+ 2,797 89
Hospital fund	3,295 72	—	+ 1,897 46
		510,914 15	
Current liabilities, viz. (see exh. O, page 29):			
Audited vouchers unpaid	$437,339 68	—	+ 87,032 37
Audited pay-rolls unpaid	262,672 45	—	- 32,207 01
Interest on bonds—due and unpaid (unpresented coupons)	38,560 00	—	- 1,900 00
Notes payable—due on demand	75,600 00	—	- 99,900 00
		814,172 13	
Miscellaneous accounts (see exh. P, page 30)		59,206 00	- 25,254 00
Balance to credit of profit and loss account, June 30th, 1896, as per detailed exhibit on preceding page		288,822 57	- 242,677 40
		$66,532,007 45	- $124,333 36

Note.—See appendix for condensed balance sheet of each Company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
Earnings—						
Freight	$3,685,638 68	$4,072,163 50	—	—	$386,524 82	9.49
Passenger—local	618,128 47	581,115 35	$ 37,013 12	6.37	—	—
Passenger—foreign	326,018 15	308,189 26	17,828 89	5.79	—	—
Mail	143,208 89	119,327 98	23,880 91	20.01	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,648 20	7,128 09	—	—	479 89	6.73
Miscellaneous	52,847 47	57,250 39	—	—	4,402 92	7.69
Total	$4,904,489 86	$5,217,174 57	—	—	$312,684 71	5.99
Earnings per mile of road	$ 4,010 21	$ 4,265 88	—	—	$ 255 67	5.99
Expenses (including betterments)—						
Conducting transportation	$1,442,403 55	$1,442,068 10	$ 335 45	0.02	—	—
Motive power	991,591 29	973,396 40	18,194 89	1.87	—	—
Maintenance of cars	344,517 56	293,440 52	51,077 04	17.41	—	—
Maintenance of way	1,133,998 51	1,078,975 11	55,023 40	5.10	—	—
General expenses	219,863 63	189,340 96	30,522 67	16.12	—	—
Total	$4,132,374 54	$3,977,221 09	$155,153 45	3.90	—	—
Expenses per mile of road	$ 3,378 88	$ 3,252 02	$ 126 86	3.90	—	—
Per cent. of expenses to earnings	84.26	76.23	8.03	10.53	—	—
Net Earnings	$ 772,115 32	$1,239,953 48	—	—	$467,838 16	37.73
Per mile of road	$ 631 33	$ 1,013 86	—	—	$ 382 53	37.73
Per cent. of total earnings	15.74	23.77	—	—	8.03	33.78
Expenses and Taxes—						
Expenses	$4,132,374 54	$3,977,221 09	$155,153 45	3.90	—	—
Taxes accrued	128,551 97	117,729 01	10,822 96	9.19	—	—
Total	$4,260,926 51	$4,094,950 10	$165,976 41	4.05	—	—
Per mile of road	$ 3,484 00	$ 3,348 28	$ 135 72	4.05	—	—
Per cent. of total earnings	86.88	78.49	8.39	10.69	—	—
Surplus after paying taxes	$ 643,563 35	$1,122,224 47	—	—	$478,661 12	42.65
Per mile of road	$ 526 22	$ 917 60	—	—	$ 391 38	42.65

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Betterments and Extraordinary Expenses,

Included in the foregoing Statement of Operating Expenses.

Entire System.	Betterments.		Extraordinary Expenses.	
	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.
Conducting Transportation .	$ 8,284 21	$ 17,878 75	$ 42,502 27	$ 2,778 32
Motive Power	32,522 04	32,650 62	—	1,007 71
Maintenance of Cars	29,143 84	21,103 23	—	—
Maintenance of Way	140.944 83	125,453 73	26,990 54	6,842 79
Total	$ 210,894 92	$ 197,086 33	$ 69,492 81	$ 10,628 82
Increase this year	$ 13,808 59	—	$ 58,863 99	—
Per cent. of increase.	7.01		553.81	

The several items composing the expenditure for betterments during the year ended June 30th, 1896, are as follows:

New station houses, platforms, etc.—		
Joint depot building with St. L., I. M. & S. R'y at Delta, Mo., one-half cost . . .	$ 825 72	
Depot building and platform, La Forge, Mo .	599 28	
Freight depot and platform, Jonesboro, Ark., (cost in excess of insurance collected on old structures destroyed by fire)	978 43	
Joint facilities with Texas Midland R. R. at Greenville, Texas, our proportion—		
Union depot (commenced last year) . . .	1,194 26	
Freight depot	399 12	
Transfer shed	374 09	
Driveway, etc	520 74	
Depot building, Clinton, Texas	608 99	
Cotton platform, Axtell, Texas	151 22	
Extension of freight depot building, Waco, Texas	1,713 02	$ 7,364 87
Additional stock pens—		
Zent, Ark.	$ 134 75	
England, Ark	96 95	
Ridgeway, Texas	128 59	
Chandler, Texas	143 90	
Axtell, Texas	211 81	
Alto, Texas	138 06	
Bullard, Texas	65 28	919 34
Amount carried forward		$ 8,284 21

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Amount brought forward			$8,284 21
New cinder pit, Malden, Mo.			187 19
Improvements to Pine Bluff shops and yard—			
New blacksmith shop	$7,080 98		
New machinery	417 50		
Additional yard track (commenced last year).	2,620 84		10,119 32
Improvements to Texarkana shops and shop grounds (commenced last year)—			
New roundhouse and pits	$4,170 75		
New turntable	690 08		
New cinder pit.	303 59		
Fence around motive power yard	424 60		
New coal chutes and incline	2,204 04		
New water station	1,102 55		
New cast iron water mains	3,154 86		
Grading	9,397 67		
Additional tracks	9,335 18		30,783 32
Raising track to T. & F. S. R'y crossing, Texarkana, Texas—			
Grading, etc., current fiscal year, less amount received from T. & F. S. R'y, as their proportion of work done last year and to date, and adjustment of erroneous distribution.		OR.	3,174 93
Improvements at Commerce, Texas—			
New coal hoist	$ 260 90		
Additional tracks (commenced last year)	326 08		586 98
Improvements to Tyler shops and yard—(unfinished)			
Taking up side tracks and clearing right-of-way to grade	$ 226 64		
Grading	125 40		
Engineering expenses	250 00		602 04
New water station, Greenville, Texas			734 99
New fence around pond at Randolph, Texas.			119 65
New machinery for Tyler shops			882 50
Cost of applying air brakes to locomotives			4,212 98
Cost of applying second water closet and cooler to coach			53 00
Cost of applying air brakes and automatic couplers to freight cars			17,849 84
Cost of applying Pintsch gas equipment to car "Arkansas Traveler"			305 38
Expenses incident to change of gauge T. S. E. R'y—(commenced last year)—			
Changing locomotives from narrow to standard gauge	$ 6,182 77		
Amount carried forward	$ 6,182 77		$71,546 47

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Amount brought forward	$ 6,182 77	$71,546 47
Changing baggage, mail and express car from narrow to standard gauge	411 27	
Changing passenger cars from narrow to standard gauge	1,382 48	
Changing freight cars from narrow to standard gauge	9,141 87	
Changing hand cars from narrow to standard gauge	15 50	
Changing trestles	628 75	
Changing cattle guards	66 19	
Frogs	83 44	
Widening and preparing cuts and embankments	15,392 34	
Spreading rails	9,284 76	
Spikes—track	1,634 46	
Switch fixtures	970 16	45,193 99
New turntable, Lufkin, Texas		392 11
Changing tracks and improving yard at Rusk, Texas		672 86
Ballasting—		
Shreveport branch, miles K. 432 to K. 434½ .	$ 1,027 00	
Sherman branch, mile C. 541	122 93	
Main line, Texas, miles 660 to 664 (commenced last year)	3,769 04	4,918 97
New bridges—		
White river, M. P. 215, main line Arkansas (unfinished)	$17,386 58	
Sabine river, M. P. 526, Waco section, Texas (unfinished)	10,132 81	27,519 39
Raising track above overflow, Wabbaseca bottom, M. P. 238 to 246, main line, Arkansas division (commenced last year)		737 19
Improvements to Big Creek bottom, between M. P. 280 and 284, main line, Arkansas division (commenced last year)		166 77
Changing track to reach new depot, Pine Bluff, Ark. (commenced last year)		35 00
Reducing grade line on Thornton hill, M. P. 309 to 312, main line, Arkansas division (commenced last year)		893 15
Widening embankments, truing grade line, etc., M. P. 302 to 309 and 317 to 324, main line, Arkansas division		596 00
Amount carried forward		$152,671 90

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Amount brought forward		$152,671 90
New standard fence		39,650 36
New standard tile culverts		756 58
New fence around section houses—		
Saltillo, Texas	$ 50 83	
Tyler, Texas	43 21	94 04
Cost of erecting exclusive railroad telegraph wire, Texarkana, Texas, to Mt. Pleasant, Texas		1,455 73
New saw mill spurs, private and side tracks—		
Ties	$ 1,441 54	
Frogs	609 50	
Steel rails	6,136 44	
Spikes	391 20	
Splices, etc	483 25	
Switch fixtures	845 10	
Labor putting in	2,948 75	12,855 78
Engineering expenses—		
Cost of special surveys		3,410 53
Total		$210,894 92

The several items composing the expenditure for extraordinary expenses during the year ended June 30th, 1896, are as follows:

Judgment and costs in the following suits—	
Mrs. Annie Griffith, damages for assault by station employe at Greenville, Texas, June 27th, 1893	$ 2,697 55
Mrs. S. C. Rasberry, *et al.*, death of Julius Rasberry, fireman, Tyler, Texas, Feb. 8th, 1893	15,627 00
Mrs. Annie McMahon, *et al.*, death of H. McMahon, hostler, Tyler, Texas, Feb. 8th, 1893	12,136 67
R. W. Holbrook, personal injuries received June 7th, 1889	12,041 05
Cost of repairing trestle No. 554, mile 243, main line Arkansas division, damaged by fire	133 74
St. L. S. W. Ry. Co.'s proportion of extraordinary repairs to St. L., I. M. & S. Ry. Co.'s incline, used jointly, at Bird's Point, Mo., damaged by washout	2,667 45
Cost of protecting Arkansas river bridge and west bank of river at that location, which was washed out December 25th, 1895	12,452 44
Cost of repairing track damaged by washouts at various places	11,400 68
Watchmen watching and going over track after storms	336 23
Total	$69,492 81

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EXHIBIT B.

Accrued Interest on Bonds—Entire System.

The semi-annual interest on first mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 10, due November 1st, 1895	$400,000 00
Coupon No. 11, due May 1st, 1896	400,000 00
Total	$800,000 00

EXHIBIT O.

Taxes Accrued, Fiscal Year—Entire System.

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought and used in paying taxes. The difference between the face value and cost of warrants to the Company is credited to "Taxes Accrued." During the fiscal year ended June 30th, 1896, the profit on warrants purchased amounted to $4,051.50.

Taxes accrued, fiscal year ended June 30th, 1896	$128,551 97
Taxes accrued, fiscal year ended June 30th, 1895	117,729 01
Increase	$ 10,822 96

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

Taxes Paid, Calendar Year—Entire System.

State.	Year 1895.	Year 1894.	Increase.	Decrease.
Missouri	$ 13,599 34	$ 13,482 52	$ 116 82	—
Arkansas	52,000 59	51,018 62	981 97	—
Louisiana	4,562 10	4,697 91	—	$135 81
Texas	58,963 65	50,006 82	8,956 83	—
Total taxes paid—calendar year	$129,125 68	$119,205 87	$9,919 81	—

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EXHIBIT D.

Interest and Exchange—Entire System.

This account covers the net amount of expenditures for interest on floating debt.

Total for year ended June 30th, 1896	$16,184 97
Total for year ended June 30th, 1895	22,536 18
Decrease	$ 6,351 21

EXHIBIT E.

All Other Payments—Entire System.

Description.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Equipment trust expenses, St. Louis Southwestern Car Trust—Series A	$14,266 75	$16,291 65	—	$2,024 90
Adjustment of sundry accounts	1,038 39	941 07	$97 32	—
Receivers' liabilities paid	—	585 28	—	585 28
Total	$15,305 14	$17,818 00	—	$2,512 86

EXHIBIT F.

Interest on Bonds Owned—Entire System.

Description.	Year ended June 30, 1896.	Year ended June 30, 1895.	Decrease.
Interest on first mortgage certificates of the St. Louis Southwestern Ry. Co., in Treasury, 4%	$6,866 68	$ 19,686 66	$12,819 98
Interest on $25,000 first mortgage bonds Paragould Southeastern Ry. Co., 6%	1,500 00	2,250 00	750 00
Total	$8,366 68	$ 21,936 66	$13,569 98

The large decrease in this account is explained by the sale, during the current fiscal year, of $185,000 (par value) of first mortgage certificates of the St. Louis Southwestern Ry. Co.,

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held in the Treasury, and to the fact that during the fiscal year ended June 30th, 1895, there was taken into account the interest for eighteen months on the Paragould Southeastern Ry. Co. bonds.

EXHIBIT G.

All Other Receipts—Entire System.

Adjustment of sundry accounts, etc., June 30th, 1896	$1,710 02
Adjustment of sundry accounts, etc., June 30th, 1895	2,382 53
Decrease	$ 672 51

EXHIBIT H.

Cost of Road and Equipment—Entire System.

Year Ended June 30th, 1896.

Changes during year ended June 30th, 1896—			
Right of way settlements			$ 661 75
Additional land purchased—			
For yard facilities at Wolfe City, Tex. . .		$ 175 00	
For terminal facilities at Waco, Tex. . . .		3,500 00	
For additional right of way for new tracks at Athens, Tex.		57 00	
For yard facilities at Gatesville, Tex. . . .		924 30	4,656 30
Equipment—			
Engines built—			
One new engine		$8,062 05	
Cars purchased—			
One new plow car		5,500 00	
Cars built—			
Two new baggage cars	$4,492 34		
One new mail car	3,331 39	7,823 73	
		$21,385 78	
Less equipment sold—			
One narrow gauge engine sold, less cost of repairs	$2,083 21		
One flat car sold, less salvage . .	79 00	2,162 21	
Net addition account of equipment			19,223 57
Total net additions for the year			$ 24,541 62
Total cost to July 1st, 1895			65,422,369 05
Total cost of road and equipment to June 30th, 1896 . .			$65,446,910 67

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EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
	$21,530 95

No changes have been made in these accounts during the fiscal year ended June 30th, 1896.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes)	$27,327 95

During the fiscal year ended June 30th, 1896, no change has been made in this account.

EXHIBIT K.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year.	June 30, 1896.		June 30, 1895.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, Paragould Southeastern Ry. Co.	—	$ 25,000 00	—	$ 25,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	$1,500 00	25,000 00	$ 25,000 00	25,000 00	$ 25,000 00
First mortgage bonds, Gulf & Ship Island Ry	—	15,000 00	1,500 00	15,000 00	1,500 00
Capital stock, St. L. S. W. Ry. Co.—preferred	—	106,350 00	106,350 00	106,350 00	106,350 00
Capital stock, St. L. S. W. Ry. Co.—common	—	143,900 00	143,900 00	143,900 00	143,900 00
First mortgage certificates, St. L. S. W. Ry. Co.—4%	6,866 68	140,000 00	140,000 00	325,000 00	325,000 00
First mortgage certificates, St. L. S. W. Ry. Co.—fractional scrip	—	—	—	137 70	137 70
Second mortgage certificates, St. L. S. W. Ry. Co.	—	—	—	31,000 00	31,000 00
Second mortgage certificates, St. L. S. W. Ry. Co.—fractional scrip	—	—	—	227 50	227 50
Totals	$8,366 68	$455,250 00	$416,750 00	$671,615 20	$633,115 20
Decrease current fiscal year	—	$216,365 20	$216,365 20	—	—

The securities of the Paragould Southeastern Railway Company and the Gulf & Ship Island Railway Company, embraced in the foregoing exhibit, were received from the St. Louis,

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Arkansas & Texas Railway Company, among the assets acquired by your Company through the reorganization of the property. Such securities were originally acquired in part payment for old rails and other second hand material sold to the two Companies named. The securities of the St. Louis Southwestern Railway Company embraced in the exhibit, represent the balance of the surplus securities received from the Reorganization Committee, remaining in the Treasury.

Paragould Southeastern Railway Company.

The Paragould Southeastern Railway connects with this line at Paragould, Ark., extending from that point to Cardwell, Mo., has about twelve miles of track including sidings, and is a valuable feeder to your Company's railway.

It will be noted that interest at the rate of six per cent. on the $25,000 of first mortgage bonds of the Paragould Southeastern Railway Company, which fell due during the year, has been received by your Company, and these securities may be regarded as a first class investment. Your Company owns one-half of the capital stock, and one-half of the bonds of the Paragould Southeastern Railway Company, now outstanding. The annual report submitted by Mr. W. C. Hasty, of Paragould, Ark., President of the Company, shows the following financial results from operation, for the fiscal year ended June 30th, 1896: Gross earnings, $17,020.98, operating expenses, $12,535.38, net earnings, $4,485.60, accrued interest on bonds, accrued taxes and all other payments chargeable against net earnings, $3,126.42, surplus income, $1,359.18.

In his annual report, President Hasty says: "The condition of our track is steadily improving and we think we can safely say, that no twelve miles of track in this section of the country is any safer to run over (considering the weight of steel rail we have—35 pound) than ours is to-day. * * * * * We look for large earnings from now (July 1st, 1896) until January

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next, as the territory through which we run, will produce immense crops of cotton and corn, and our timber interests, which are large, are all in a flourishing condition. * * * * It would hardly do to close without reviewing the extension of this line, but we are still of the opinion that this road should be extended to some point directly east from Cardwell and near Little River at once."

Gulf & Ship Island Railway Company.

The Gulf & Ship Island Railway, on which property your Company holds first mortgage bonds to the face value of $15,000 as shown in the foregoing exhibit, extends from Ripley to Pontotock, Miss., about 31 miles.

As stated in the first annual report, these bonds were acquired by the St. Louis, Arkansas & Texas Railway Company (the predecessor of your Company) in the following manner: That Company sold to the Union Investment Company of New York, second hand 35 pound rails to be used in the construction of the Gulf & Ship Island Railway. In settlement for these rails, the Union Investment Company gave its note, secured by $15,000 worth of first mortgage bonds of the Gulf & Ship Island Railway. The Union Investment Company became insolvent and was placed in the hands of a receiver. The note, when due, was protested. The collateral security of $15,000 worth of first mortgage bonds was advertised for sale, according to law, and were bid in by the St. Louis, Arkansas & Texas Railway Company for $1,500. Suit was entered on behalf of the St. Louis, Arkansas & Texas Railway Company against the Gulf & Ship Island Railway, and judgment to the amount of $12,000 was obtained. In a distribution of certain assets of the Union Investment Company, your Company received its pro rata proportion in September, 1892, amounting to $2,228.36, net, which was applied to the credit of the judgment. The Legal Department advise that negotiations now pending, promise upon

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surrender of these bonds, to yield in a month or two a further net collection of about $6,000 in full settlement of all demands against the Gulf & Ship Island Railway Company and the Union Investment Company. In view of all these facts, this settlement, if effected by the Legal Department, must be regarded as a very favorable one to your Company.

EXHIBIT L.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1896.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Totals	365,000	—	$36,500,000 00	$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT M.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1896.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Totals .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

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EXHIBIT N.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1896.

Total outstanding (not due) June 30th, 1895	$470,499 62
Deduct—	
Notes paid during fiscal year ended June 30th, 1896, amounting to . .	111,407 02
Total outstanding June 30th, 1896, shown in detail below	$359,092 60

WHEN DUE.	St. L. Ark. & Tex. Ry.		St. L. S. W. Ry.	Total.
	Series "A 1."	Series "A 37."	Series "A."	
Due during year ended June 30th, 1896, extended	—	$11,404 80	$25,000 00	$ 36,404 80
Due during year ending June 30th, 1897	$20,984 90	26,145 16	25,000 00	72,130 06
" " " " " 30th, 1898	—	77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	—	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	—	25,000 00	25,000 00
Totals	$20,984 90	$138,107 70	$200,000 00	$359,092 60
Average annual payment for seven years	—	—	—	$ 51,298 94

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EXHIBIT O.

FLOATING DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1896.

ACCOUNTS.	June 30th, 1896.	June 30th, 1895.	+ Increase, - Decrease, This Year.
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	$ 312,415 00	$ 15,130 65	+$ 297,284 35
Interest on bonds—accrued, not due until November 1st	133,333 33	133,333 33	—
Taxes accrued to June 30th—not due until December 31st	61,870 10	59,072 21	+ 2,797 89
Hospital fund	3,295 72	1,398 26	+ 1,897 46
	$ 510,914 15	$ 208,934 45	+$ 301,979 70
CURRENT—			
Audited vouchers unpaid	$ 437,339 68	$ 350,307 31	+$ 87,032 37
Audited pay rolls unpaid	262,672 45	294,879 46	- 32,207 01
Interest on bonds—due and unpaid (unpresented coupons)	38,560 00	40,460 00	- 1,900 00
Notes payable—due on demand	75,600 00	175,500 00	- 99,900 00
	$ 814,172 13	$ 861,146 77	-$ 46,974 64
Total deferred and current liabilities	$1,325,086 28	$1,070,081 22	+$ 255,005 06
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$ 51,268 21	$ 43,347 52	+$ 7,920 69
Remittances in transit from agents and conductors	52,692 48	65,403 82	- 12,711 34
In hands of Paymaster	4,629 00	6,997 87	- 2,368 87
Central Trust Co. of New York—to pay unpresented coupons	38,560 00	40,460 00	- 1,900 00
On deposit with Brooklyn Trust Co., N.Y.	3,194 97	—	+ 3,194 97
	$ 150,344 66	$ 156,209 21	-$ 5,864 55
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 25,043 99	$ 46,710 17	-$ 21,666 18
Bills receivable	8,058 73	1,513 84	+ 6,544 89
U. S. Post Office Department	38,800 29	29,920 85	+ 8,879 44
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	93,365 50	40,787 46	+ 52,578 04
	$ 171,268 51	$ 124,932 32	+$ 46,336 19
ADVANCES TO SUNDRY AGENTS	$ 6,333 88	$ 16,085 66	-$ 9,751 78
PREPAID INSURANCE	$ 2,266 70	$ 3,357 90	-$ 1,091 20
SUPPLIES AND MATERIAL ON HAND—			
Shop supplies	$ 125,571 51	$ 118,165 46	+$ 7,406 05
Fuel	27,566 89	23,498 14	+ 4,068 75
Bridge and building material	58,168 12	53,629 04	+ 4,539 08
Cross ties	18,000 70	22,465 88	- 4,465 18
Steel rails—new	36,423 03	11,676 67	+ 24,746 36
Second-hand rails	17,668 08	15,763 32	+ 1,904 76
Stationery stock	5,875 80	6,214 06	- 338 26
	$ 289,274 13	$ 251,412 57	+$ 37,861 56
Total current assets	$ 619,487 88	$ 551,997 66	+$ 67,490 22
FLOATING DEBT, or balance of deferred and current liabilities in excess of current assets	$ 705,598 40	$ 518,083 56	+$ 187,514 84
Less market value, June 30th, of other available assets owned by the Company, consisting of investments in stocks and bonds, as shown by Exhibit K.	137,750 75	326,747 26	- 188,996 51
NET FLOATING DEBT, JUNE 30TH	$ 567,847 65	$ 191,336 30	+$ 376,511 35

The increase of $187,514.84 in floating debt, or amount of deferred and current liabilities in excess of current assets, is the natural result of the deficit of a similar amount in operation for

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the current fiscal year, the conditions surrounding which having been heretofore explained. The decrease of $188,996.51 in the market value of "other available assets," in the form of stocks and bonds owned, is explained by the sale during the current fiscal year of first and second mortgage certificates of the St. Louis Southwestern Railway Company in the Treasury to the amount of $216,365.20 (par value), and, also, in a measure, to the difference caused by the fluctuation in the market value of such securities remaining in the Treasury June 30th, 1896.

A careful analysis of the foregoing statement will demonstrate that the actual financial condition of your Company with respect to its floating indebtedness is much better than appears from a cursory glance at the statement. There are included in this statement under the head of "deferred liabilities," first, interest on first mortgage bonds accrued to June 30th but not due until November 1st, 1896, $133,333.33, second, taxes for the year 1896 accrued to June 30th, but not due until 1897, $61,870.10. Excluding from the exhibit of floating debt these items of interest and taxes accrued but not due, aggregating $195,203.43, the result will show a net floating debt of $372,644.22. The amount of this net floating debt is principally covered by notes payable to the amount of $312,415.00 due on stated dates after July 1st, 1896, mainly during the fall and winter months, the largest business months of the year.

EXHIBIT P.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.
JUNE 30TH, 1896.

DESCRIPTION.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Equipment replacement fund	$53,905 00	$79,505 00	—	$25,600 00
Donated town lot sales	5,301 00	4,955 00	$346 00	—
Totals	$59,206 00	$84,460 00	—	$25,254 00

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Summary of Financial Transactions—Entire System.

Year Ended June 30th, 1896.

The following statement, considered in connection with the foregoing financial statements, furnishes in a condensed form an analysis of all resources, showing also, how the same were appropriated, during the fiscal year ended June 30th, 1896:

RESOURCES.		
Cash balance July 1st, 1895		$ 43,347 52
Gross earnings from operation fiscal year ended June 30th, 1896	$4,904,489 86	
Miscellaneous income fiscal year ended June 30th, 1896	10,076 70	
Sale of St. L. S. W. Ry. securities—face value	216,365 20	
Increase of deferred liabilities	301,979 70	5,432,911 46
		$5,476,258 98
APPROPRIATION OF RESOURCES		
Operating expenses (including betterments) for fiscal year ended June 30th, 1896	$4,132,374 54	
Interest on bonds, taxes and all other payments charged against income for fiscal year ended June 30th, 1896	960,042 08	
Equipment trust obligations paid during current fiscal year	111,407 02	
Increase of cost of road and equipment as shown in exhibit H, page 23	24,541 62	
Discount on St. L. S. W. Ry. securities in Treasury, sold during current fiscal year	64,827 34	
Increase of current assets (exclusive of cash in hands of Treasurer)	59,569 53	
Decrease of current liabilities	46,974 64	
Decrease of miscellaneous accounts	25,254 00	5,424,990 77
Cash balance June 30th, 1896		$ 51,268 21

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TRAFFIC.

Freight Traffic.

Tonnage and Revenue—Entire System.

Item.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of tons carried . .	1,487,078	1,470,257	16,821	1.14	—	—
No. of tons carried one mile	312,998,714	309,245,333	3,753,481	1.21	—	—
Average distance haul of one ton (miles) . .	210.48	210.33	.15	.07	—	—
*Total freight revenue .	$3,685,638.68	$4,072,163.50	—	—	$386,524.82	9.49
*Average revenue per ton	$2.4784	$2.7697	—	—	$0.2913	10.52
*Average revenue per ton per mile	$0.0118	$0.0132	—	—	$0.0014	10.61

* Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

From the foregoing table it will be noted that there was an increase of 16,821 tons, or 1.14 per cent. in the total tonnage transported, and an increase of 3,753,481, or 1.21 per cent. in the tons transported one mile during the fiscal year just ended. On the other hand, the total freight revenue decreased $386,524.82, or 9.49 per cent., and, in explanation of this disparity, attention

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is directed to the table on page 34, which shows an increase in the tonnage of low class freight, principally lumber, and a decrease in the tonnage of cotton and cotton seed products, high rate commodities. The same explanation applies to the decrease in the average freight revenue per ton of $0.2913, or 10.52 per cent., and in the average freight revenue per ton per mile of $0.0014, or 10.61 per cent., which decreases, it will be observed, are in about the same proportion as the percentage of decrease in freight revenue. Rates were steadily maintained during the current fiscal year, and, in connection therewith, it is appropriate to state that in April, 1896, the Southwestern Traffic Association, of which this line is a member, was strengthened by the addition of a board of administration, consisting of a representative from each of the lines interested in the Association, the board holding daily meetings at its headquarters in St. Louis, and each member thereof devoting his entire time to the Association, which, it is believed, will have the effect of maintaining stable rates, as well as otherwise protecting the joint traffic interests of the lines members of the Association.

The average distance haul per ton remains about the same as the preceding year, the increase being but .15 of one mile, or .07 of one per cent.

Following this will be found a table showing the number of tons of each commodity transported during the fiscal year ended June 30th, 1896, compared with the preceding fiscal year. The general tonnage movement is clearly set forth in this table, which also shows the increase or decrease in the tonnage of each commodity, the relative percentage of the tonnage of each commodity to the total tonnage of all commodities, and the relative percentage of increase or decrease in the tonnage of each commodity.

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Classification of Tonnage—Entire System.

Total Tonnage Transported.

Commodities.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	757,873	50.96	698,179	47.49	59,694	8.55	—	—
Cotton	97,621	6.56	163,022	11.09	—	—	65,401	40.12
Cotton seed products	71,336	4.80	106,456	7.24	—	—	35,120	32.99
Grain	81,367	5.47	61,378	4.17	19,989	32.57	—	—
Flour	58,673	3.95	57,653	3.92	1,020	1.77	—	—
Other mill products	15,302	1.03	21,454	1.46	—	—	6,152	28.68
Hay	35,759	2.40	28,989	1.97	6,770	23.35	—	—
Tobacco	400	.03	373	.03	27	7.24	—	—
Vegetables	22,360	1.50	15,449	1.05	6,911	44.73	—	—
Live stock	58,147	3.91	51,204	3.48	6,943	13.56	—	—
Bacon	12,448	.84	10,647	.72	1,801	16.92	—	—
Merchandise	68,125	4.58	64,504	4.39	3,621	5.61	—	—
Coal (includ'g charcoal)	52,066	3.50	47,246	3.21	4,820	10.20	—	—
Oil	12,307	.83	13,220	.90	—	—	913	6.91
Sugar	7,015	.47	7,657	.52	—	—	642	8.38
Agricultural implements	3,484	.23	3,615	.25	—	—	131	3.62
Emigrant outfit	8,122	.55	7,116	.48	1,006	14.14	—	—
Salt	9,746	.66	8,530	.58	1,216	14.26	—	—
Wine, liquors and beer	5,917	.40	5,692	.39	225	3.95	—	—
Miscellaneous	109,010	7.33	97,873	6.66	11,137	11.38	—	—
Total	1,487,078	100.00	1,470,257	100.00	125,180	—	108,359	—
Net increase					16,821	1.14	—	—

By referring to the foregoing table it will be noted that the only commodities showing a material decrease are cotton and cotton seed products, all others having increased excepting "other mill products," oil, sugar and agricultural implements, which show slight decreases.

The lumber movement exceeds that of the previous year by 59,694 tons, or 8.55 per cent. It is worthy of note that this commodity forms more than one-half of the tonnage transported during the fiscal year for which this report is made, viz., 50.96 per cent.

In the section tributary to this line the cotton crop of the season 1894–1895 was the largest ever grown. The prevailing low price of cotton during that season resulted in a largely decreased acreage for the season 1895–1896, and the tonnage of cotton transported by this line during the year for which this report is made, as compared with the preceding year, decreased

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252,928 bales, or 40.12 per cent., while cotton seed products decreased 35,120 tons, or 32.99 per cent. To the decrease in these two commodities is directly traceable the decrease in total freight earnings for the current fiscal year. Following will be found a brief table giving the number of bales of cotton transported, tonnage and percentage of tonnage to total tonnage transported, and the revenue, and percentage of revenue to total freight revenue, for the years ended June 30th, 1893, 1894, 1895, 1896:

COTTON.

Year ended Jnne 30.	No. of bales.	No. of tons.	Per cent. of tonnage to total tonnage.	Revenue.	Per cent. of revenue to total freight revenue.
1893	331,726	84,690	05.62	$ 643,312 14	16.13
1894	400,480	101,994	07.68	744,484 37	21.28
1895	628,015	163,022	11.09	1,019,333 51	25.03
1896	375,087	97,621	06.56	597,907 80	16.22

This table shows that while cotton forms but a small percentage of the total tonnage transported, the revenue derived from cotton forms quite a large percentage of the total freight revenue.

The increase in the grain movement of 19,989 tons, or 32.57 per cent., does not indicate an unusual movement of this commodity, but is due to the exceptionally light grain tonnage of the preceding year, against which comparison is made.

The tonnage of hay shows a good increase over the preceding year, and the increase represents principally business which originated on this line.

The increase in the tonnage of vegetables of 6,911 tons or 44.73 per cent., is attributable to the further development of water melon production in southeast Missouri, and to fruit and vegetable production in eastern Texas.

The live stock movement was substantially increased during the current fiscal year by 6,943 tons or 13.56 per cent., which is very gratifying in view of the strong competition for this class of freight.

Miscellaneous freight, which includes all car-load freight not classified under other headings, increased 11,137 tons, or 11.38 per cent.

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The information shown in the table of "Classification of Tonnage" on page 34, subdivided under "Tonnage originating on this system" and "Tonnage received from connecting roads," will be found in the following tables:

TONNAGE ORIGINATING ON THIS SYSTEM.

COMMODITIES.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	Tons.	Per Cent. of commodity total.	Tons.	Per Cent. of commodity total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	689,948	91.04	638,027	91.38	51,921	8.14	—	—
Cotton	90,914	93.13	148,520	91.10	—	—	57,606	38.79
Cotton seed products	66,522	93.25	96,825	90.95	—	—	30,303	31.30
Grain	53,553	65.82	38,168	62.19	15,385	40.31	—	—
Flour	8,204	13.98	9,731	16.88	—	—	1,527	15.69
Other mill products	9,294	60.74	7,182	33.48	2,112	29.39	—	—
Hay	23,237	64.98	19,019	65.61	4,218	22.18	—	—
Tobacco	13	3.25	18	4.83	—	—	5	27.78
Vegetables	11,791	52.73	8,513	55.10	3,278	38.51	—	—
Live stock	42,364	72.86	35,362	69.06	7,002	19.80	—	—
Bacon	697	5.60	394	3.70	303	76.90	—	—
Merchandise	30,783	45.19	28,387	44.01	2,396	8.44	—	—
Coal (includ'g charcoal)	21,508	41.31	9,650	20.43	11,858	122.88	—	—
Oil	768	6.24	3,293	24.91	—	—	2,525	76.68
Sugar	327	4.66	348	4.54	—	—	21	6.03
Agricultural implements	376	10.79	612	16.93	—	—	236	38.56
Emigrant outfit	2,560	31.52	1,976	27.77	584	29.55	—	—
Salt	926	9.50	222	2.60	704	317.12	—	—
Wine, liquors and beer	447	7.55	257	4.52	190	73.93	—	—
Miscellaneous	50,025	45.89	37,145	37.95	12,880	34.67	—	—
Total	1,104,257	74.26	1,083,649	73.70	112,831	—	92,223	—

TONNAGE RECEIVED FROM CONNECTING ROADS.

COMMODITIES.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	Tons.	Per Cent. of commodity total.	Tons.	Per Cent. of commodity total.	Tons.	Per Cent.	Tons.	Per Cent.
Lumber	67,925	8.96	60,152	8.62	7,773	12.92	—	—
Cotton	6,707	6.87	14,502	8.90	—	—	7,795	53.75
Cotton seed products	4,814	6.75	9,631	9.05	—	—	4,817	50.02
Grain	27,814	34.18	23,210	37.81	4,604	19.84	—	—
Flour	50,469	86.02	47,922	83.12	2,547	5.32	—	—
Other mill products	6,008	39.26	14,272	66.52	—	—	8,264	57.90
Hay	12,522	35.02	9,970	34.39	2,552	25.60	—	—
Tobacco	387	96.75	355	95.17	32	9.01	—	—
Vegetables	10,569	47.27	6,936	44.90	3,633	52.38	—	—
Live stock	15,783	27.14	15,842	30.94	—	—	59	.37
Bacon	11,751	94.40	10,253	96.30	1,498	14.61	—	—
Merchandise	37,342	54.81	36,117	55.99	1,225	3.39	—	—
Coal (includ'g charcoal)	30,558	58.69	37,596	79.57	—	—	7,038	18.72
Oil	11,539	93.76	9,927	75.09	1,612	16.24	—	—
Sugar	6,688	95.34	7,309	95.46	—	—	621	8.50
Agricultural implements	3,108	89.21	3,003	83.07	105	3.50	—	—
Emigrant outfit	5,562	68.48	5,140	72.23	422	8.21	—	—
Salt	8,820	90.50	8,308	97.40	512	6.16	—	—
Wine, liquors and beer	5,470	92.45	5,435	95.48	35	.64	—	—
Miscellaneous	58,985	54.11	60,728	62.05	—	—	1,743	2.87
Total	382,821	25.74	386,608	26.30	26,550	—	30,337	—

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The first of these tables is especially interesting as reflecting the resources of the country traversed, and the fact that 74.26 per cent. of the total tonnage transported originated on this System must be taken as a healthy indication of the productiveness of the contiguous country.

New industries located along this line during the year ended June 30th, 1896, and extensions of old industries during the same period are as follows:

St. Louis Southwestern Railway.

Dale, Mo. (M. P. 4)—Saw mill erected.

Jonesboro, Ark.—Large heading factory erected. Flour mill erected.

Pine Bluff, Ark.—Stave factory erected.

Fordyce, Ark.—Capacity of the Fordyce Lumber Company's saw mill increased from 60,000 to 100,000 feet per day.

Thornton, Ark.—The Yellow Pine Lumber Manufacturing Company has put in a new mill increasing its daily capacity from 40,000 to 150,000 feet per day.

Best's Switch, Ark. (M. P. 320)—A new mill has been built doubling the capacity at this point.

Onalaska, Ark. (M. P. 328)—The Cotton Belt Lumber Company has erected a large mill with a daily capacity of 100,000 feet. They are at present operating a mill at M. P. 370, where the lumber is about cut out, and which will be abandoned during the fall of 1896.

Lumber, Ark. (M. P. 376)—New saw mill is in process of erection.

St. Louis Southwestern Railway of Texas.

Texarkana, Tex.—The Texarkana Oil & Delinting Company has built a plant for the purpose of delinting cotton.

Redwater, Tex.—A 60-saw gin, capacity 10 bales per day, has been erected.

Naples, Tex.—A large shingle mill has been erected.

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Mt. Pleasant, Tex.—A saw mill to cut oak and pine lumber, capacity 15,000 feet per day, has been erected. A paint factory has been erected at Material yard, about one-half mile west of station. The material for making this paint is clay, which is found abundant in this vicinity. All colors of paint will be manufactured except white. The Dallas Brewing Company has put in an ice and beer house a short distance from the depot.

Mt. Vernon, Tex.—A large brick yard has been erected.

Greenville, Tex.—An oil mill of 80 tons capacity has been erected.

Carrollton, Tex.—A 60-saw cotton gin, capacity 10 bales per day, has been erected.

Wolfe City, Tex.—A foundry and machine shop has been erected.

Smith's Mill, Tex. (M. P. 500.8)—A new saw mill with a daily capacity of 15,000 feet has been erected.

Pritchett, Tex. (M. P. 516.1)—A new saw mill with a daily capacity of 20,000 feet has been erected.

Lignite, Tex. (M. P. 586)—A lignite bed of coal has been opened up with vein of about seven feet in thickness.

Corsicana, Tex.—In boring an artesian well an oil vein was discovered about 1,000 feet below the surface. Wells are being sunk to tap this oil vein, which promise well, both as to quality and quantity.

Waco and East Waco, Tex.—Plants have been established for compressing cotton under the Bessonnette system (cylindrical bales).

Hubbard City, Tex.—A plant has been established for compressing cotton under the Bessonnette system (cylindrical bales).

Lime City, Tex.—The capacity of the lime plant at this point has been increased by the erection of three modern lime kilns.

McGregor, Tex.—A cotton compress has been erected. An oil mill has been erected.

Gatesville, Tex.—A cotton compress has been erected.

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TYLER SOUTHEASTERN RAILWAY.

Durham, Tex. (M. P. E 613.6)—A saw mill and planer has been erected.

Spinks, Tex. (M. P. E 615.5)—A saw mill has been erected, capacity 15,000 feet per day.

PASSENGER TRAFFIC.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
Number of passengers carried . .	935,555	838,984	96,571	11.51	—	—
Number of passengers carried one mile	40,159,897	36,744,040	3,415,857	9.30	—	—
Average distance one passenger carried (miles)	42.93	43.80	—	—	.87	1.99
*Total passenger revenue	$944,146.62	$889,304.61	$54,842.01	6.17	. —	—
*Average revenue per passenger	$1.0092	$1.0600	—	—	$0.0508	4.79
*Average revenue per passenger per mile	$0.0235	$0.0242	—	—	$0.0007	2.89

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

The foregoing table shows very gratifying results from passenger traffic for the fiscal year ended June 30th, 1896, the total annual passenger revenue closely approaching the one million dollar mark. The number of passengers carried increased 96,571, or 11.51 per cent., the number of passengers carried one mile 3,415,857, or 9.30 per cent., and the total passenger revenue $54,842.01, or 6.17 per cent. The average distance one passenger carried decreased .87 of one mile, or 1.99 per cent.; the average revenue per passenger decreased $0.0508, or 4.79 per cent., and the average revenue per passenger per mile decreased $0.0007, or 2.89 per cent.

Following this will be found an analytical table showing the general passenger movement properly classified for the fiscal year ended June 30th, 1896, compared with the preceding fiscal year:

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Classification of Passenger and Passenger Revenue—Entire System.

Item.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
Passengers carried—						
Local tickets	727,112	654,262	72,850	11.13	—	—
Cash fares	128,978	117,606	11,372	9.67	—	—
Home coupon tickets	37,776	30,209	7,567	25.05	—	—
Foreign coupon tickets	41,689	36,907	4,782	12.96	—	—
Total	935,555	838,984	96,571	11.51	—	—
Passengers carried one mile—						
Local tickets	21,228,234	19,345,161	1,883,073	9.73	—	—
Cash fares	1,758,885	1,675,547	83,338	4.97	—	—
Home coupon tickets	7,294,308	6,040,350	1,253,958	20.76	—	—
Foreign coupon tickets	9,878,470	9,682,982	195,488	2.02	—	—
Total	40,159,897	36,744,040	3,415,857	9.30	—	—
Passenger revenue—						
Local tickets	$564,577 59	$528,807 28	$35,770 31	6.76	—	—
Cash fares	53,445 59	52,308 07	1,137 52	2.17	—	—
Home coupon tickets	132,227 65	116,619 50	15,608 15	13.38	—	—
Foreign coupon tickets	193,895 79	191,569 76	2,326 03	1.21	—	—
Total	$944,146 62	$889,304 61	$54,842 01	6.17	—	—
Revenue per passenger—						
Local tickets	$0.7765	$0.8082	—	—	$0.0317	3.92
Cash fares	0.4144	0.4448	—	—	0.0304	6.83
Home coupon tickets	3.5003	3.8604	—	—	0.3601	9.33
Foreign coupon tickets	4.6510	5.1906	—	—	0.5396	10.40
Total	$1.0092	$1.0600	—	—	$0.0508	4.79
Revenue per passenger per mile—						
Local tickets	$0.0266	$0.0273	—	—	$0.0007	2.56
Cash fares	0.0304	0.0312	—	—	0.0008	2.56
Home coupon tickets	0.0181	0.0193	—	—	0.0012	6.22
Foreign coupon tickets	0.0196	0.0198	—	—	0.0002	1.01
Total	$0.0235	$0.0242	—	—	$0.0007	2.89

Note.—The foregoing results are based on actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

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Mail Traffic.

Mail revenue fiscal year ended June 30th, 1896	$143,208 89
Mail revenue fiscal year ended June 30th, 1895	119,327 98
Increase	$ 23,880 91
Per cent. of increase	20.01

The increase in mail revenue is due to the following causes: In the spring of 1895, the mails on the routes extending through the States of Missouri and Arkansas were weighed, and the increased compensation from such weighing was effective from July 1st, 1895. On that date a line of vestibuled railway post office cars was put into service between Cairo and Texarkana, and on January 1st, 1896, six months after the establishment of the line, according to the United States Post Office Department regulations, the compensation for transporting mails on the route extending between Cairo and Texarkana was increased $10,600.00 per annum on account of such vestibuled post office cars, one-half of which, or $5,300.00 was included in the mail revenue for the year ended June 30th, 1896. The compensation for carrying the United States mails on the entire System now amounts to nearly $150,000.00 per annum.

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1896-95.

FREIGHT.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of trains run	23,814	22,202	1,612	7.26	—	—
No. of loaded cars moved	401,318	393,158	8,160	2.08	—	—
No. of empty cars moved	185,168	173,753	11,415	6.57	—	—
Total No. of cars moved	586,486	566,911	19,575	3.45	—	—
No. of miles run by all freight trains (includ'g mixed trains)	1,987,431	1,940,257	47,174	2.43	—	—
No. of miles run by loaded cars	28,720,774	28,913,339	—	—	192,565	.67
No. of miles run by empty cars	10,461,446	10,071,485	389,961	3.87	—	—
No. of miles run by all cars	39,182,220	38,984,824	197,396	.51	—	—
No. of miles run by home cars	18,982,235	20,221,920	—	—	1,239,685	6.13
No. of miles run by foreign cars	20,199,985	18,762,904	1,437,081	7.66	—	—
No. of miles run by home cars on foreign lines	11,541,435	9,930,917	1,610,518	16.22	—	—
Percentage of empty car mileage to total car mileage	26.70	25.83	.87	3.37	—	—
Average No. of trains run daily	65	61	4	6.56	—	—
Average No. of loaded cars moved daily	1,096	1,077	19	1.76	—	—
Average No. of empty cars moved daily	506	476	30	6.30	—	—
Average No. of all cars moved daily	1,602	1,553	49	3.16	—	—
Average No. of loaded cars in each train	14.46	14.90	—	—	.44	2.95
Average load per loaded car (tons)	10.90	10.70	.20	1.87	—	—
Average load per train (tons)	157.49	159.38	—	—	1.89	1.18
Average No. of empty cars in each train	5.26	5.19	.07	1.35	—	—
Average No. of all cars in each train	19.72	20.09	—	—	.37	1.84
Average No. of miles run by trains daily	5,430	5,316	114	2.14	—	—
Average No. of miles run by each train	83	87	—	—	4	4.60
Average No. of miles run by loaded cars in each train	1,206	1,302	—	—	96	7.37
Average No. of miles run by empty cars in each train	439	454	—	—	15	3.30
Average No. of miles run by all cars in each train	1,645	1,756	—	—	111	6.32
Average No. of miles run per car per day—home cars	24	24	—	—	—	—
Average No. of miles run per car per day—foreign cars	25	22	3	13.64	—	—
Average No. of miles run per car per day—this Company's cars on foreign lines	19	18	1	5.56	—	—
Average No. of cars on line—home	2,171	2,345	—	—	174	7.42
Average No. of cars on line—foreign	2,185	2,322	—	—	137	5.90
Average No. of this Company's cars on foreign lines	1,655	1,537	118	7.68	—	—

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TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM—*Continued.*

PASSENGER.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Per Cent.	Decrease.	Per Cent.
No. of trains run	9,649	9,317	332	3.56	—	—
No. of cars moved	40,733	38,711	2,022	5.22	—	—
No. of miles run by trains (not including mixed trains)	1,440,748	1,358,605	82,143	6.05	—	—
No. of miles run by home cars	4,840,535	4,555,758	284,777	6.25	—	—
No. of miles run by foreign cars	1,228,375	897,278	331,097	36.90	—	—
No. of miles run by all cars	6,068,910	5,453,036	615,874	11.29	—	—
Average No. of trains run daily	26	26	—	—	—	—
Average No. of cars moved daily	111	106	5	4.72	—	—
Average No. of cars moved in each train	3.99	3.79	.20	5.28	—	—
Average No. of miles run by trains daily	3,936	3,722	214	5.75	—	—
Average No. of miles run by each train	149	146	3	2.05	—	—
Average No. of miles run by cars daily	16,582	14,940	1,642	10.99	—	—
Average No. of miles run per car per day—home cars	157	160	—	—	3	1.88
Average No. of miles run per car per day—foreign cars	177	129	48	37.21	—	—
Average No. of cars on line—home	84	78	6	7.69	—	—
Average No. of cars on line—foreign	19	19	—	—	—	—

FREIGHT.

No material change took place in the number of freight cars owned and leased during the year ended June 30th, 1896, the aggregate number remaining practically the same as during the preceding fiscal year, as may be seen by an examination of the statement of equipment on page 64.

The shortage in the cotton crop had an unfavorable influence on the record of the car service department. The transportation of cotton usually involves a long haul of a large portion of the crop to Northern connections; the large decrease in cotton shipments, therefore, caused a reduction in these long and profitable hauls, which prevented as good a showing as might otherwise have been made in the handling of freight cars.

The sharp competition in the matter of quick time in transit, mentioned in the last annual report, has continued throughout the year, and has made it necessary to run a still larger number of foreign cars through to destination without transferring, thus causing an empty return haul of such cars, which might have

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been avoided if the conditions would have permitted the transfer of such cars at junction points.

While these conditions were detrimental to the economical handling of the freight car equipment, a careful examination of the preceding table will reveal some comparisons with the preceding fiscal year which are very gratifying.

The increase of 1.14 per cent. in total tonnage transported was accomplished with an increase of only 2.43 per cent. in freight train mileage, and with a decrease of .67 of one per cent. in loaded car mileage. While the empty car mileage increased 3.87 per cent., it will be noted that the total car mileage has increased only .51 of one per cent., which is a cause for congratulation, when the increase in total tonnage transported and the unfavorable conditions that prevailed throughout the year are taken into consideration.

The mileage of home cars on this line decreased 1,239,685 miles, or 6.13 per cent., but to offset this the mileage of home cars on foreign lines increased 1,610,518 miles, or 16.22 per cent. The total mileage made by home cars both on and off the line during the fiscal year ended June 30th, 1896, compared with the preceding year, shows an increase of 370,833 miles, or 1.23 per cent. The average number of miles run per car per day by home cars on this line is again 24 miles, the mark at which this average has now stood for four years. The average number of miles run per car per day by foreign cars on this line is 25 against 22 during the preceding year. The average number of loaded and empty cars in each train remains practically the same as during the preceding year, and the average load per loaded car has increased .20 of one ton, or 1.87 per cent.

The following table shows the amount earned by St. Louis Southwestern System freight cars on foreign roads, and the amount paid for mileage of foreign cars on this line during the year ended June 30th, 1896, compared with the year ended June 30th, 1895:

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DESCRIPTION.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Amount earned by foreign freight cars on St. L. S. W. Ry. Entire System .	$129,290 18	$115,455 80	$13,834 38	—
Amount earned by St. L. S. W. Ry. System freight cars on foreign roads.	74,574 47	60,050 08	14,524 39	—
Net balance due foreign roads .	$54,715 71	$55,405 72	—	$690 01

The figures contained in the foregoing table show an increase of $13,834.38 in the mileage of foreign freight cars on this line, which is caused principally by the increase in the mileage of foreign cars belonging to other railroads, and of refrigerator cars, the mileage of patent stable cars remaining about the same as during the year ended June 30th, 1895.

In order to offset the increase in the mileage of foreign cars on this line, the policy of loading the cars belonging to your Company to points off the line was practiced freely, and not only for this purpose, but also, by avoiding transfer at junction points, to reduce claims for damage incident to such transfers. Under this policy it will be noted that the increase in the mileage of your Company's cars on foreign lines has more than offset the increase in mileage of foreign freight cars on this line, thus effecting a decrease of $690.01 in the net balance due foreign roads.

The rates of mileage charged were the same during both years compared.

PASSENGER.

In the statement covering the performance of passenger equipment, it will be noticed that increases have occurred in nearly all the items included therein, the natural result of the increase of 11.51 per cent. in number of passengers carried, and the increase of 6.17 per cent. of passenger revenue. The increase in the mileage of foreign cars on this line is due mainly to the establishment of a through sleeping car service between St. Louis and Shreveport, which was commenced in July, 1895.

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MAINTENANCE OF WAY.

Road Department.

Character of Rail in Main Track, June 30, 1896.

Location.	75-lb. Steel. Track miles.	56-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total Track miles.
St. Louis Southwestern Ry. Co.				
Main Line	13.31	404.69	—	418.00
New Madrid Branch	—	—	5.70	5.70
Delta Branch	—	51.40	—	51.40
Little Rock Branch	—	41.20	.50	41.70
Magnolia Branch	—	.02	6.38	6.40
Shreveport Branch	—	59.50	—	59.50
Total	13.31	556.81	12.58	582.70
St. Louis Southwestern Ry. Co. of Texas—				
Main Line	—	259.74	44.86	304.60
Sherman Branch	—	109.90	—	109.90
Ft. Worth Branch	—	97.20	—	97.20
Hillsboro Branch	—	40.00	—	40.00
Total	—	506.84	44.86	551.70
Tyler Southeastern Ry. Co.—				
Main Line	—	.14	88.46	88.60
Entire System, June 30, 1896.	13.31	1,063.79	145.90	1,223.00
Entire System, June 30, 1895.	4.07	1,071.44	147.49	1,223.00
Increase, this year	9.24	—	—	—
Decrease, this year	—	7.65	1.59	—

The following is a summary of the new steel rail weighing 75 pounds to the yard (the standard heretofore adopted) purchased, and placed in main track, and leads to side tracks to

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June 30th, 1896, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

	No. of Tons.	Track Miles.
Purchased during fiscal year ended June 30th, 1895	1010 $\frac{1900}{2240}$	8.577
Purchased during fiscal year ended June 30th, 1896	2120 $\frac{550}{2240}$	17.990
Total purchased	3131 $\frac{2210}{2240}$	26.567
Placed in track year ended June 30th, 1895 . .	522 $\frac{1620}{2240}$	4.435
Placed in track year ended June 30th, 1896 . .	1069 $\frac{1815}{2240}$	9.077
Total placed in track	1592 $\frac{1195}{2240}$	13.512
Balance on hand June 30th, 1896	1538 $\frac{1255}{2240}$	13.055

About 8 miles of this rail were laid at Thornton hill, mile posts 308-317 on the main line in Arkansas, where it became advisable to improve the grade line—of this about 4 track miles were laid during the preceding fiscal year, and about 4 track miles during the current fiscal year. The remaining 5 track miles of this 75-pound rail placed in track during the current fiscal year, were laid in the stretch of track southward between mile posts 317-324, and the greater portion of the balance on hand will be laid at the same location, and in the stretch of track from mile post 307 northward to mile post 302 at the foot of Kingsland hill (all on the main line in Arkansas), making, when completed, a continuous stretch of 23 track miles, more or less, of 75-pound steel rail.

The 56-pound rail released by the laying of the 1,000 tons of 75-pound rail purchased during the preceding fiscal year was used on all parts of the line for renewals, in place of defective rails in main track, etc. The greater portion of the 56-pound rail released by the laying of the 2,000 tons of 75-pound rail purchased during the current fiscal year, will be used to replace, as far as possible, the 35-pound rail on the main line in Texas south of Waco.

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The value of that portion of this new 75-pound rail put in track, less the value of the old 56-pound rail taken out of track, and the cost of labor changing, during the current fiscal year, namely, $15,538.56, were charged to operating expenses (maintenance of way), and were not considered in the statement of "Betterments and Extraordinary Expenses" included in operating expenses on page 17, although the track has been greatly improved by this renewal.

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1896.

DESCRIPTION.	Ballasted This Year. Track miles.	Total Ballasted. Track miles.	Not Ballasted. Track miles.	Total Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	4.03	—	4.03
Gravel and sand	13.50	190.45	—	190.45
Cinders	.88	18.32	—	18.32
Natural soil and length of bridges and trestles	—	—	369.90	369.90
Total	14.38	212.80	369.90	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	1.23	88.18	—	88.18
Gravel and sand	.27	119.82	—	119.82
Cinders	—	24.97	—	24.97
Natural soil and length of bridges and trestles	—	—	318.73	318.73
Total	1.50	232.97	318.73	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	—	.06	—	.06
Gravel and sand	—	—	—	—
Cinders	—	.61	—	.61
Natural soil and length of bridges and trestles	—	—	87.93	87.93
Total	—	.67	87.93	88.60
ENTIRE SYSTEM—				
Rock	1.23	92.27	—	92.27
Gravel and sand	13.77	310.27	—	310.27
Cinders	.88	43.90	—	43.90
Natural soil and length of bridges and trestles	—	—	776.56	776.56
Total	15.88	446.44	776.56	1,223.00

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In addition to the 15.88 miles of track ballasted during the current fiscal year, as shown in the foregoing statement, all of which was absolutely new ballast placed in track not heretofore ballasted, a great deal of the track heretofore ballasted has been repaired and reballasted in bad places, but this reballasted track is not included in the statement of track ballasted during the current fiscal year.

FENCING ON RIGHT OF WAY, JUNE 30TH, 1896.

LOCATION.	Linear Miles of Fence.	
	Built this Year.	Total June 30, 1896.
St. Louis Southwestern Ry. Co.	94.12	300.06
St. Louis Southwestern Ry. Co. of Texas . .	186.07	253.71
Tyler Southeastern Ry. Co.	—	.45
Entire System	280.19	554.22

As a measure of economy the greater portion of the fence completed during the current fiscal year as shown in the foregoing table, was built under contract, reserving for the Company forces only such small stretches of fence as would not warrant a contractor in undertaking the work.

Of the 94.12 linear miles of standard fence built during the current fiscal year on the line of the St. Louis Southwestern Railway, at a cost of $19,111.88, or an average of $203.06 per linear mile, the greater portion was built on the Missouri Division, completing the fencing of the entire line in the State of Missouri, the only gaps being at points where water permanently stands in drainage bottoms, rendering it impossible for stock to reach the track.

The cost of the 186.07 linear miles of standard Texas fence constructed on the line of the St. Louis Southwestern Railway of Texas during the current fiscal year was $20,538.48, or an average of $110.38 per linear mile. The entire line between Texarkana and Mt. Pleasant has now been fenced, the amount

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of fencing constructed in this district being 110 linear miles. In addition to this, 45 linear miles were constructed on the Sherman and Ft. Worth branches. The remaining 31.07 linear miles constructed in Texas during the current fiscal year are covered by various small stretches at points where considerable stock has heretofore been killed or injured by trains.

Standard fence on the St. Louis Southwestern Railway consists of panels of eight feet, seven barbed wires and a board next to top wire, while on the St. Louis Southwestern Railway of Texas, the standard fence is built with panels of sixteen feet, using four strands of barbed wire. This will account for the difference in the average cost per linear mile of fence on the line of the St. Louis Southwestern Railway, as compared with the average cost on the line of the St. Louis Southwestern Railway of Texas.

CULVERTS.

The work of replacing worn-out log drains with vitrified tile or cast-iron pipe culverts has been continued throughout the current fiscal year. A total of 35 culverts, aggregating 2,398 linear feet, were built on the line of the St. Louis Southwestern Railway; and on the lines in Texas, 13 culverts aggregating 502½ feet were built.

CORRECTING GRADE LINE AND LAYING NEW 75-POUND STEEL RAIL.

MILE POST 302-324, MAIN LINE, ARKANSAS.

From mile post 317 to mile post 324 the inequalities of the grade line have been corrected to prepare for replacing the 56-pound steel rail with new 75-pound steel rail upon gravel-ballasted track—this work being in progress at the close of the current fiscal year. During the preceding fiscal year the same character of improvement was completed at Thornton hill, mile post 308–317, and the same class of work is also being carried on from mile post 307, northward, to mile post 302, at the foot of Kingsland hill, at the date of this report.

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NARROW BANKS.

Much of the old embankment work having become worn down by usage and the weather until they were too narrow for the maintenance of safe track, a small force of graders has been kept at work, whenever practicable, widening these narrow embankments; in this way much work has been accomplished at small expense and the worst places of this kind on the line put in safe condition.

OVERFLOW DISTRICTS.

The gradual improvement of the districts subject to overflow has been continued whenever possible with evident valuable results. These districts should be examined in detail and general plans made for the improvement of each of them, the work to be commenced at such time as your Company is financially able to undertake it.

MAINTENANCE.

The physical condition of the track has not only been fully maintained, but has been much improved during the current fiscal year. Attention is invited to the following table, furnishing a comparative statement of maintenance and improvements in the road department—for the entire system, as well as for each Company separately:

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Comparative Statement of Maintenance and Improvements in Road Department, During Year Ended June 30, 1896–1895.

Character of Work.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. E. Ry. Co.		Entire System.	
	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1895.
Miles of track ditched by plow	30.6	22.0	—	—	—	—	30.6	22.0
Miles of track ballasted	14.4	18.6	1.5	27.0	—	.3	15.9	45.9
Miles of track laid with 75-lb. steel	9.3	4.1	—	—	—	—	9.3	4.1
Miles of track relaid with 56-lb. steel	—	—	9.4	1.6	.1	—	9.5	1.6
Miles of track relaid with 35-lb. steel	—	—	—	—	—	.1	—	.1
Miles of new saw mill spurs, private and side tracks	4.0	5.0	5.2	3.5	.7	.5	9.9	9.0
Miles of old side tracks taken up	2.7	4.5	1.3	2.0	1.0	.5	5.0	7.0
Number of cross-ties placed in track	282,194	296,044	279,725	299,770	55,373	37,501	617,292	633,315
Sets of switch ties placed in track	118	105	112	79	22	9	252	193

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Bridge and Building Department.

During the fiscal year ended June 30th, 1896, the work of maintenance and renewals of bridges, trestles and other structures has been carried on steadily. The following table furnishes the location and a description of all permanent spans on June 30th, 1896:

Bridges—Statement of Permanent Spans, June 30th, 1896.

Location.	Mile Post.†	No. of Spans.	Length, Each.	Total Length.	Kind of Structure.	Class.*	Year Built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Richland creek	F 647.7	1	125	125	Pin connected truss	A	1890
Cedar creek	D 582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D 583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C 574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C 584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C 589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C 591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C 596.1	1	110	110	Pin connected truss	X	1894
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,196	—	—	—

†Note.—Location of mile posts: without prefix, Main Line; I, Delta Branch; F, Hillsboro Branch: D, Sherman Branch: C, Fort Worth Branch.

*Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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WHITE RIVER BRIDGE.
MILE POST 214, MAIN LINE, ARKANSAS.

During the preceding fiscal year plans were made to take down the two combination spans forming the approaches to the draw span at White river on the main line in Arkansas and substitute for them new steel structures of modern capacity. The design contemplated an Ashlar masonry pier on the north bank and a cylinder pier on the south side, also, a steel truss of 152 foot span and a steel plate girder of 87 foot span. These piers were completed at a cost of $11,515.00 and a payment on account of the new spans of $5,871.58 has been made, making a total expenditure on account of this work to June 30th, 1896, of $17,386.58. The spans have been erected since the close of the current fiscal year, thereby placing this important bridge in safe condition for the heaviest modern traffic.

ARKANSAS RIVER BRIDGE,
MILE POST 261, MAIN LINE, ARKANSAS.

On the night of December 25th, 1895, a heavy flood came down the Arkansas river, cutting a chute through the bar above the bridge at Rob Roy and commenced cutting away the west bank of the river at this point for a distance of 7,200 feet, ranging in width from 100 to 500 feet. After the flood had subsided, it became necessary to mattress and revet the bank to prevent further caving, and this work was completed at a total cost of $12,452.44. Upon the completion of the revetment work a second flood of less dimensions was had in the river, but owing to the protection thus afforded, no further caving or scouring resulted.

The construction of mattress and revetment work at this point to protect your Company's property and hold the channel of the river under the draw span and open for navigation, has such a direct bearing upon the public navigation interests that it would appear to be a place where the United States Government should undertake the regulation of the channel and protection of the bank and other property.

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SABINE RIVER BRIDGE.

MILE POST 526-527, MAIN LINE, TEXAS.

The old false work carrying the track over this river having been maintained as long as possible, it became necessary to reconstruct this bridge. At the beginning of the current fiscal year the pressure of drift and flood water against the false work was so strong that for several days the line was threatened with a break and consequent interruption of traffic. It was deemed advisable and necessary, therefore, to erect a new steel span, utilizing the old false work in its erection to reduce the expense. The track was raised entirely above high water, bridge seats were built of selected hewn cypress, and a steel truss of 152 foot span purchased. There was expended on account of this work to June 30th, 1896, $10,132.81. This span has been erected since the close of the current fiscal year and this hitherto dangerous place secured against floods.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.

JUNE 30TH, 1896.

	LENGTH.	
	In Linear Feet.	In Miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	28,500	5.40
Jonesboro section	34,793	6.59
Pine Bluff section	48,386	9.16
Delta Branch	6,370	1.21
Little Rock Branch	4,106	.78
Magnolia Branch	1,167	.22
Shreveport Branch	5,050	.96
TOTAL	129,698	24.57
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	36,371	6.89
Tyler section	29,084	5.51
Waco section	4,310	.82
Ft. Worth Branch	19,270	3.65
Sherman Branch	20,075	3.80
Hillsboro Branch	4,614	.87
TOTAL	113,724	21.54
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,365	2.53
ENTIRE SYSTEM, June 30th, 1896	256,787	48.64
ENTIRE SYSTEM, June 30th, 1895	259,921	49.23
Decrease, this year	3,134	.59

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The work of maintenance of trestles has been well kept up during the current fiscal year. All structures which could not be carried over have been rebuilt with new standard trestles. On the line of the St. Louis Southwestern Railway 15,745 linear feet, and on the line of the St. Louis Southwestern Railway of Texas 12,587 linear feet of trestle have been rebuilt. Five small iron girders ranging from 14 to 18-foot span were constructed in the bridge and building department yard at Pine Bluff, Ark., from material taken from the original spans at White and Arkansas rivers, and these girders were substituted at suitable places for short trestles. The policy of filling all unnecessary trestles and substituting culverts for them will be carried out wherever practicable.

It will be noted from the foregoing statement of trestle bridging that, during the current fiscal year, the total length of trestle bridging on the entire system has been reduced 3,134 feet, or .59 of one mile.

Buildings, Etc.

In addition to the work on bridges and trestles, the following important work on buildings and other structures, performed by the bridge and building department forces, is worthy of mention:

JONESBORO, ARK.

The six-stall addition to the original roundhouse, commenced during the preceding fiscal year, was completed during the current fiscal year, giving a standard roundhouse of ten stalls at this station.

In December, 1895, the freight house at this point was destroyed by fire, insurance amounting to $800.00 was collected, and the destroyed building was at once replaced with a larger and more commodious structure, to meet the requirements of increased business.

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COMPANY SHOPS, PINE BLUFF, ARK.

The brick addition to the former blacksmith shop was completed during the current fiscal year. This addition is 78 feet 3½ inches long by 79 feet 9 inches wide, with steel roof trusses, and overhead traveling crane tracks. This addition was much needed to relieve the cramped situation in the old shop.

An artesian well has been sunk at this point to a depth of 890 feet to secure a supply of better water than was formerly obtained at a depth of 120 feet. The well has just been completed, and a supply of 350 gallons per minute, obtained by lifting the water with compressed air. Owing to the delays incident to the sinking of this well, it was not possible to complete the water works and sewerage system designed for these shops, during the current fiscal year; this work will be carried to completion during the ensuing fiscal year.

A new 31-compartment feeding stock pen to replace the old one, was added to the yard facilities at Company shops, Pine Bluff, Ark. These pens are commodious and modern, and are furnished with water and feeding facilities.

TEXARKANA, TEXAS.

The improvements in the motive power and car department yard commenced at this point during the preceding fiscal year were carried to completion during the current fiscal year. They include the construction of a ten-stall wooden round house, water station, coaling station, oil house, office and storeroom, and necessary repair tracks. All of this work has been carried forward in line with the general plan for improvement, and can be extended as the business of your Company demands.

GREENVILLE, TEXAS.

The additional facilities required at this point, due to the extension of the Texas Midland R. R., were completed during the current fiscal year. These involved the construction of a brick union passenger depot, transfer shed, and the removal of your

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Company's freight house to a more advantageous location. These expenses were borne jointly by your Company and the Texas Midland R. R.

WATER STATIONS.

On the line of the St. Louis Southwestern Railway, the old water tanks and wells have been carried wherever possible. It became necessary, however, to replace five of them with the adopted standard tub, 16x24 feet, with a capacity of 50,000 gallons each. All of these tanks were erected on permanent iron frames, constructed in the bridge and building department yard at Pine Bluff, Ark., from old truss bridges removed at various times, and are located at Malden Mo.; St. Francis, Rector, Stuttgart and Spirit Lake, in Arkansas.

On the line of the St. Louis Southwestern Railway of Texas, the new standard 50,000 gallon tank and other water facilities commenced in the preceding fiscal year at Texarkana, were completed during the current fiscal year. A new standard tank was also erected at Elm Fork Trinity river, on the Ft. Worth branch.

Arrangements have been made with the City of Sulphur Springs, Texas, for water supply at that point. Construction of the necessary facilities being under way at the date of this report.

PASSENGER PLATFORMS.

The policy of replacing plank passenger platforms with standard gravel platforms has been continued. During the current fiscal year there have been renewed in this manner, 27,912 square feet on the line of the St. Louis Southwestern Railway, and 21,852 square feet on the St. Louis Southwestern Railway of Texas.

MAINTENANCE AND IMPROVEMENTS.

The following table furnishes a summary, by roads, of the work of maintenance and improvements (embracing completed structures only) in the bridge and building department for the year ended June 30th, 1896:

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MAINTENANCE AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1896.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
White river bridge foundations			$11,515 00
Arkansas river protection, Rob Roy			12,452 44
New wooden trestles	15,745	Linear feet	58,460 66
Culverts	2,398	Linear feet	3,936 14
Wire fence	94	Miles and 625 ft. of fence	19,111 88
Station platforms (gravel)	27,912	Square feet	633 32
Station platforms (wood)	4,448	Square feet	459 71
Cotton platforms (wood) 16	39,832	Square feet	2,240 13
Station buildings	3		2,770 67
Station building outhouse	2		40 04
Water closet	1		97 67
Station coal bins	3		165 72
Stock pens	3		384 39
Stock feeding pen (31 compartments)	1		3,179 79
Stock loading chutes	6		341 63
Cattle guards	97		2,943 42
Round house	1		4,176 22
Transfer pit wall (brick)	1		2,500 44
Addition to blacksmith shop	1		7,080 98
Oil and switch lamp house	1		66 35
Tool house	1		94 96
Oil and store room	1		123 21
Cinder pits	3		572 58
Turn table (wooden)	1		409 85
Coaling station	1		2,214 76
Coal and coke bin	1		284 09
Water stations, tank and tank frames	5		5,869 43
Water station coal bins	3		167 13
Well and well house	1		928 96
Well house	1		296 55
Pump houses	4		631 92
Pump house, coal bin and platform	1		403 26
Dam across Big creek for water supply	1		178 24
Well house (section)	1		18 73
Creeping pile driver	1		493 81
Highway bridge	1		400 91
Track scales (one repaired, one moved)	2		972 41
Mail cranes	8		136 31
Total, fiscal year ended June 30th, 1896			$146,753 71
Total, fiscal year ended June 30th, 1895			118,420 73
Increase this year			$28,332 98

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MAINTENANCE AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
New wooden trestles	12,587	Linear feet	$49,788 62
Culverts	435	Linear feet	2,106 11
Wire fence	186	Miles and 370 ft. of fence	20,538 48
Section house fence	2,737	Feet of fence	146 80
Station platforms (wood)	14,788	Square feet	906 81
Station platforms (cinder)	21,852	Square feet	565 05
Cotton platforms (six)	8,128	Square feet	452 52
Coal platform	2,070	Square feet	171 75
Cattle guards	226		5,697 56
Patent surface cattle guards	4		121 04
Stock pens	7		1,125 95
Stock loading chutes	3		185 81
Union Depot, Greenville (brick)	1	our proportion	3,393 10
Station buildings	6		3,874 41
Station driveway	1		520 74
Station outhouses	6		217 84
Water closets	1		131 26
Round house pits	10		2,444 70
Cinder pits	1		303 59
Turn table	1		690 08
Round house (10 stall)	1		4,945 15
Machine repair shops	1		114 37
Coal chutes	1		2,250 92
Station coal bins	2		117 20
Tool house	1		146 97
Water stations, tank and tank frames	3		2,964 36
New cast iron water mains, Texarkana			3,154 86
Well and well house	1		781 50
Water station coal bins	2		154 29
Pump house	1		114 96
Well (section house)	1		19 50
Farm gates	108		509 69
Mail cranes	1		18 73
Sawdust bin	1		7 02
Total, fiscal year ended June 30th, 1896			$108,681 74
Total, fiscal year ended June 30th, 1895			110,368 63
Decrease this year			$ 1,686 89

TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	14	Linear feet	$ 19 20
Culverts	67¼	Linear feet	173 00
Station platforms (wood)	464	Square feet	36 26
Cotton platform	1,152	Square feet	104 52
Station building (labor)	1		291 71
Station outhouse	1		37 78
Cattle guards	15		424 56
Stock chutes	1		50 75
Stock pens	3		323 78
Water stations, tank and tank frames	2		1,174 36
Pump house	2		101 25
Water station coal bins	2		62 80
Well and well house	1		368 19
Water column	1		312 58
Sand house	1		92 87
Total, fiscal year ended June 30th, 1896			$ 3,573 61
Total, fiscal year ended June 30th, 1895			484 24
Increase this year			$ 3,089 37

ENTIRE SYSTEM.	
Total, fiscal year ended June 30th, 1896	$259,009 06
Total, fiscal year ended June 30th, 1895	229,273 60
Increase this year	$ 29,735 46

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Engineering Department.

The records of this department have been gradually increased during the current fiscal year. Much special information, and many valuable drawings and plans have been filed in the permanent records.

The land line party organized in Texas during the preceding fiscal year, completed the retracement of the main line to Gatesville, and also of the Sherman branch from Mt. Pleasant to Sherman; from which, maps have been completed. This work of retracement included a thorough search of all County records, from which transcripts have been made, which, taken in connection with the maps, have given your Company a reliable record showing the exact condition of its right-of-way and property ownership on the main line and Sherman branch. The value of this information has been demonstrated in several instances during the current fiscal year when unjust claims for right-of-way have been rejected without suits at law and just claims settled upon reasonable terms.

IMPORTANT ENGINEERING WORK PERFORMED.

The following important engineering work has been performed during the current fiscal year, in addition to that mentioned elsewhere in the report in connection with improvements and maintenance of the road and the bridge and building departments:

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St. Louis Southwestern Railway Company.

Section.	Character of Work.
Little Rock . .	Mile post "G" 295, Arkansas: The same flood in the Arkansas river which had worked such damage at the Arkansas river bridge, mile post 261, main line, Arkansas, continued the bank caving on the Little Rock branch at a point about four miles below Little Rock for a distance of nearly 1000 feet. A plan of mattress and rock revetment protection work was perfected for this place, the conformation of the river being such that it was necessary to extend the work up and down stream for a total distance of 3610 feet; this work was commenced just prior to the close of the current fiscal year, and has since been successfully completed.
Pine Bluff . . .	Corkscrew hill, mile post 272-273, main line, Arkansas: Surveys were made to determine the best method of reducing grades and curves at this point. Kingsland hill, mile post 300-302, main line, Arkansas: Surveys were made at this point to determine the best method of reducing grades and curves.

St. Louis Southwestern Railway Company of Texas.

Section.	Character of Work.
Texarkana . .	Big Cypress bottom, mile post 484-485, main line: A careful examination was made of the drainage of the surrounding country at this point, and an improvement plan made to relieve the danger from overflow occasioned by floods. Tyler Motive Power Yard: During the current fiscal year negotiations were concluded with a Committee of citizens of Tyler, Texas, whereby your Company secured title to 38.60 acres of land adjacent to its present yard. This being the only available land for yard and shop purposes within three miles of Tyler. The Citizens' Committee paid two-thirds and your Company one-third of the purchase price. Your Company's one-third proportion amounted to $8,270.00, and has been paid since the close of the current fiscal year. A general plan for a switching and motive power yard and structures was prepared, to utilize the land thus secured, including a relocation of the main line for about one mile approaching the city from the north.

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Tyler Southeastern Railway Company.

Section.	Character of Work.
	CHANGE OF GAUGE.
Entire Line . .	The work of changing the gauge of this line from 3 feet to 4 feet 8½ inches was completed September 1st, 1895. The total amount expended for this purpose, including the cost of changing equipment from narrow to standard gauge, from the time the work was commenced to June 30th, 1896, was $62,952.66, of which amount $45,193.99 was expended during the current fiscal year.

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MOTIVE POWER AND CAR DEPARTMENT.

Complete information showing your Company's equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year compared with the preceding year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

Class.	On Hand June 30, 1895.	Changes During Year.						On Hand June 30, 1896.
		Purchased.	Built and Rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
LOCOMOTIVES—								
Standard gauge	129	—	1	—	—	—	3	133
Narrow gauge	8	—	—	—	1	3	—	4
Total	137	—	1	—	1	3	3	137
PASSENGER CARS—								
Official . . . Standard gauge	4	—	—	—	—	—	—	4
Chair . . . Standard gauge	9	—	—	—	—	—	—	9
Coaches . . . Standard gauge	49	—	—	—	—	—	3	52
Coaches . . . Narrow gauge	3	—	—	—	—	3	—	—
Combination . . . Standard gauge	3	—	—	—	—	—	—	3
Baggage and exp. . Standard gauge	5	—	2	1	—	—	—	6
Mail and express . . Standard gauge	18	—	—	—	1	—	1	18
Mail and express . . . Narrow gauge	1	—	—	—	—	1	—	—
Mail . . . Standard gauge	3	—	1	—	—	—	—	4
Total	95	—	3	1	1	4	4	96
FREIGHT CARS—								
Refrigerator . . . Standard gauge	25	—	—	—	—	—	—	25
Furniture . . . Standard gauge	100	—	25	1	—	—	—	124
Caboose . . . Standard gauge	70	—	—	—	—	—	2	72
Caboose . . . Narrow gauge	2	—	—	—	—	2	—	—
Box . . . Standard gauge	2,412	—	96	17	—	—	68	2,559
Box . . . Narrow gauge	95	—	—	15	—	68	—	12
Stock . . . Standard gauge	311	—	—	3	—	—	—	308
Stock . . . Narrow gauge	5	—	—	4	—	—	—	1
Flat . . . Standard gauge	782	—	—	—	—	—	—	782
Flat . . . Narrow gauge	89	—	—	51	9	—	—	29
Coal . . . Standard gauge	502	—	24	13	—	—	3	516
Coal . . . Narrow gauge	3	—	—	—	—	3	—	—
Derricks	2	—	—	—	—	—	—	2
Steam shovels	2	—	—	—	—	—	—	2
Plow Cars	—	1	—	—	—	—	—	1
Total	4,400	1	145	104	9	73	73	4,433

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Statement of New Equipment Purchased and Equipment Built and Rebuilt at Company Shops.

Year ended June 30th, 1896.

Class of Equipment.	New Equipment purchased.		Additional Equipment built, charged to Equipment Account (New).		Wrecked and destroyed Equipment rebuilt, charged to Equipment Replacement Fund.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives	—	—	1	$ 8,062 05	—	—	1	$ 8,062 05
Baggage cars	—	—	2	4,492 34	—	—	2	4,492 34
Mail cars	—	—	1	3,331 39	—	—	1	3,331 39
Plow cars	1	$5,500 00	—	—	—	—	1	5,500 00
Box cars	—	—	—	—	96	$49,781 36	96	49,781 36
Coal cars	—	—	—	—	24	9,802 80	24	9,802 80
Furniture cars	—	—	—	—	25	14,900 00	25	14,900 00
Total	1	$5,500 00	4	$16,885 78	145	$74,484 16	150	$95,869 94

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1896.		Year ended June 30, 1895.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running repairs	1,285	$64,234 13	1,220	$62,646 25	65	$ 1,587 88	—	—
Light repairs	164	22,174 61	182	25,545 89	—	—	18	$ 3,371 28
Heavy repairs	39	20,096 00	63	31,218 25	—	—	24	11,122 25
General repairs	33	37,045 68	29	37,988 33	4	—	—	942 65
Rebuilding	12	37,494 73	16	29,865 28	—	7,629 45	4	—
Total	1,533	$181,045 15	1,510	$187,264 00	69	$ 9,217 33	46	$15,436 18
Passenger Cars.								
Running repairs	695	$10,163 22	561	$ 7,563 64	134	$ 2,599 58	—	—
Light repairs	149	11,757 04	222	15,393 62	—	—	73	$ 3,636 58
Heavy repairs	23	9,315 97	28	10,360 05	—	—	5	1,044 08
General repairs	4	4,627 97	7	7,963 68	—	—	3	3,335 71
Rebuilding	2	2,345 43	6	12,731 42	—	—	4	10,385 99
Total	873	$38,209 63	824	$54,012 41	134	$ 2,599 58	85	$18,402 36
Freight Cars.								
Running repairs	52,724	$121,330 04	48,683	$94,169 03	4,041	$27,161 01	—	—
Light repairs	788	12,538 36	737	12,036 89	51	501 47	—	—
Heavy repairs	779	34,183 85	719	28,000 20	60	6,183 65	—	—
General repairs	304	23,534 46	247	20,160 39	57	3,374 07	—	—
Rebuilding	155	23,372 14	55	7,196 71	100	16,175 43	—	—
Total	54,750	$214,958 85	50,441	$161,563 22	4,309	$53,395 63	—	—
Entire Cost	—	$434,213 63	—	$402,839 63	—	$31,374 00	—	—

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Condition of Equipment by Months during the Year—Entire System.

Months Ended.	Locomotives.		Passenger Cars.	
	Number requiring repairs.	Estimated cost of repairs required.	Number requiring repairs.	Estimated cost of repairs required.
July 1, 1895	43	$49,200 00	34	$3,575 00
July 31, 1895	39	41,950 00	35	5,200 00
August 31, 1895	43	44,400 00	44	6,075 00
September 30, 1895	37	43,300 00	37	5,150 00
October 31, 1895	33	32,600 00	46	5,825 00
November 30, 1895	33	30,950 00	45	5,775 00
December 31, 1895	32	28,800 00	49	5,225 00
January 31, 1896	29	25,375 00	49	5,700 00
February 29, 1896	35	33,700 00	46	5,450 00
March 31, 1896	31	42,350 00	42	4,725 00
April 30, 1896	40	37,100 00	41	4,775 00
May 31, 1896	41	37,550 00	37	4,475 00
June 30, 1896	36	40,250 00	35	4,100 00

Months Ended.	Freight Cars.				
	Number owned.	Bad order.		In service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1895	4,400	146	3.32	4,254	96.68
July 31, 1895	4,400	170	3.86	4,230	96.14
August 31, 1895	4,404	151	3.43	4,253	96.57
September 30, 1895	4,397	123	2.80	4,269	97.20
October 31, 1895	4,410	132	3.00	4,278	97.00
November 30, 1895	4,405	112	2.54	4,293	97.46
December 31, 1895	4,411	153	3.47	4,258	96.53
January 31, 1896	4,426	205	4.63	4,221	95.37
February 29, 1896	4,435	168	3.79	4,267	96.21
March 31, 1896	4,435	138	3.11	4,297	96.89
April 30, 1896	4,433	169	3.80	4,264	96.20
May 31, 1896	4,440	187	4.21	4,253	95.79
June 30, 1896	4,433	145	3.27	4,288	96.73

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Performance and Cost of Operating Locomotives—Entire System.

Item.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Mileage—				
Passenger	1,460,769	1,378,337	82,432	—
Freight	1,967,410	1,920,525	46,885	—
Switch	839,057	836,407	2,650	—
Work	183,365	130,987	52,378	—
Other service	94,711	87,092	7,619	—
Total	4,545,312	4,353,348	191,964	—
Supplies used—				
Tons of coal	154,920	151,525	3,395	—
Pints of lubricating oil	261,152	276,427	—	15,275
Pints of all oil	386,803	390,005	—	3,202
Pounds of waste	33,336	33,150	186	—
Miles run—				
Per ton of coal	29.34	28.73	.61	—
Per pint of lubricating oil	17.40	15.74	1.66	—
Per pint of all oil	11.75	11.16	.59	—
Per pound of waste	136.30	131.30	5.00	—
Cost of operating—				
Repairs	$181,045 15	$188,888 00	—	$ 7,842 85
Stores	11,712 97	12,263 31	—	550 34
Fuel	317,911 54	321,102 37	—	3,190 83
Engineers and firemen	279,123 15	266,386 27	$12,736 88	—
Wiping and dispatching	51,246 81	49,676 35	1,570 46	—
Other motive power accounts	3,415 06	3,209 46	205 60	—
Total	$844,454 68	$841,525 76	$ 2,928 92	—
Average cost per mile—				
Repairs	$0 0398	$0 0434	—	$0 0036
Stores	0 0026	0 0028	—	0 0002
Fuel	0 0699	0 0738	—	0 0039
Engineers and firemen	0 0614	0 0612	$0 0002	—
Wiping and dispatching	0 0113	0 0114	—	0 0001
Other motive power accounts	0 0008	0 0007	0 0001	—
Total	$0 1858	$0 1933	—	$0 0075
Average number of engines in service monthly	119	116	3	—
Average monthly mileage per engine	3,183	3,127	56	—

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During the current fiscal year expenditures have been made for additional machinery in the motive power and car department, as follows: New bending rolls for boiler shop at Pine Bluff, Ark., $417.50; and for boiler shop at Tyler, Texas, $882.50.

In compliance with the Act of Congress the following expenditures have been made during the current fiscal year: Applying air brakes to 11 locomotives, $4,212.98; applying air brakes to 263 freight cars, $15,953.94; cost of applying Master Car Builder couplers to 233 freight cars in excess of the cost of the common draw-bar, $1,895.90. At the close of the current fiscal year there remained 28 locomotives and 4,035 freight cars requiring air brakes, and 4,050 freight cars requiring Master Car Builder couplers.

Of the narrow gauge equipment on the Tyler Southeastern Railway, at the time of the change of gauge, three locomotives have been changed to standard gauge, and one has been sold, leaving four on hand at the close of the current fiscal year, three of which are subject to sale. All cars that were suitable for standard gauge traffic were transferred to standard gauge trucks, while those that were not suitable, owing to their light construction, were placed in service as boarding cars. Those cars which were unsafe to handle in trains on account of their decayed condition, were taken off trucks and used for section houses, storage purposes, etc., being classed as destroyed. The value of such cars under Master Car Builders' rules was charged to operating expenses, and credited to "Equipment Replacement Fund" for rebuilding purposes. Standard box cars of 60,000 pounds capacity have been built in place of a number of these destroyed cars, and eventually all will be so replaced.

The recommendations of former years in regard to old narrow gauge "widened out" and other light locomotives are again renewed. The saving in expenses by the substitution therefor, and operation, of modern heavy locomotives would exceed one hundred thousand dollars annually. The continued improve-

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ment in the roadbed and track makes the substitution of such heavy locomotives more practicable each year.

The early completion of the new shop buildings and other facilities proposed at Tyler, Texas, is earnestly recommended, as these additional facilities are considered absolutely necessary to the proper and economical handling of the business of the motive power and car department.

The importance of providing sufficient roundhouse facilities at the various terminals can not be too strongly urged, as it is believed that the saving in fuel alone would soon pay for their original cost.

Reference to the statement showing the condition of the equipment by months, to be found on page 66, demonstrates that the same has been well maintained throughout the year.

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FUEL SUPPLY.

Comparative Statement of Coal Purchased and Consumed During Years Ended June 30th, 1896-1895. Entire System.

Item.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.	Decrease.
Purchased—				
No. of tons purchased	165,805	164,168	1,637	—
Total cost of coal purchased, excluding company freight . . .	$305,104 99	$311,561 22	—	$6,456 23
Amount of company freight included in cost of coal purchased	5,571 66	7,411 31	—	1,839 65
Total cost of coal purchased, including company freight . . .	310,676 65	318,972 53	—	8,295 88
Average cost of coal per ton, excluding company freight . . .	$1 84	$1 90	—	$0 06
Average cost of coal per ton delivered on line, including company freight	$1 87	$1 94	—	$0 07
Consumed—				
No. of tons consumed	163,122	158,426	4,696	—
Total cost of coal consumed, excluding expense of handling .	$310,737 67	$307,213 28	$3,524 39	—
Total expense of handling coal consumed	$22,033 19	$24,908 32	—	$2,875 13
Average expense per ton of handling coal consumed	13.51 cents.	15.72 cents.	—	2.21 cents.
Total cost of coal consumed including expense of handling . . .	$332,770 86	$332,121 60	$649 26	—
Average cost of coal consumed per ton, including expense of handling	$2 04	$2 10	—	$0 06

The foregoing table shows a substantial reduction in prices throughout. The decrease of six cents in the average cost per ton of coal purchased is due to reductions secured in January, 1896, in the contract prices of coal purchased. The decrease in this average price would have been much larger had the reduc-

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tion been in effect during the entire fiscal year instead of only half of the year. This reduction has had the effect of keeping the total cost of coal consumed, including expense of handling down to about the same figure as during the preceding fiscal year, notwithstanding the fact that the total number of tons consumed shows an increase of 4,696 tons.

The policy of purchasing coal in Texas and the Indian Territory for use of lines in Texas, and thus preventing the long haul over the St. Louis Southwestern Ry., which was incurred when coal for use of the lines in Texas was purchased from the Illinois mines, has been continued throughout the year, which was the principal factor in keeping down the item of Company freight on coal, and the average price per ton, including Company freight.

The Company freight shown in the foregoing table consists of a nominal charge of one-half cent per ton per mile, charged by the lines in Texas for coal transported over such lines, for use of the St. Louis Southwestern Ry. Co., and *vice versa*, the same charge for coal transported over the St. Louis Southwestern Ry. for use of the lines in Texas, it being necessary, occasionally, to ship small amounts of coal from one division to the other in order to tide over a temporary shortage in the supply at some coaling point.

It is a source of gratification to be able to report a reduction of 2.21 cents per ton in the cost of handling coal consumed, which is the result of further improvements in the facilities for handling coal in the way of new coal chutes, hoists, etc. Your Company now has pneumatic coal hoists located at Commerce, Corsicana, and Waco, Texas coaling stations. The total expense of handling the 163,122 tons of coal consumed during the year ended June 30th, 1896, was $22,033.19, or an average of 13.51 cents per ton. The total cost of handling the 158,426 tons consumed during the preceding fiscal year was $24,908.32, or an average of 15.72 cents per ton.

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TELEGRAPH DEPARTMENT.

Entire System.

The telegraph wires are operated jointly by the Western Union Telegraph Company and your Company.

Owing to the increasing demands of business, it became necessary during the fiscal year ended June 30th, 1896, to erect an exclusive railroad telegraph wire on the main line in Texas, between Texarkana and Mt. Pleasant—sixty-one miles—at a total cost of $1,455.73.

The work of maintenance has been well kept up during the current fiscal year.

The following table shows the mileage of telegraph lines and wires operated, also the expense of operation and repairs in this department, for the fiscal year ended June 30th, 1896, as compared with the preceding fiscal year:

Description.	Year ended June 30, 1896.	Year ended June 30, 1895.	Increase.		Decrease.	
Mileage—						
Owned by this Company.						
Miles of line	1,223.0	1,223.0	—		—	
Miles of wire (on poles owned by W. U. Tel. Co.)	1,074.0	1,013.0	61.0		—	
Owned by Western Union Tel. Co.						
Miles of line	1,223.0	1,223.0	—		—	
Miles of wire	2,806.0	2,808.0	—		2.0	
			Increase.	Per Cent.	Decrease.	Per Cent.
Expenses—						
Salaries of telegraph operators	$59,898 48	$61,282 37	—	—	$1,383 89	2.26
Supplies used by operators	1,234 26	1,300 76	—	—	66 50	5.11
Repairs of telegraph line	6,193 43	4,685 62	$1,507 81	32.18	—	—
Total	$67,326 17	$67,268 75	$ 57 42	.09	—	—

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HOSPITAL SERVICE.

The employes' hospital at Tyler, Texas, has been efficiently and economically operated under the management of Dr. C. A. Smith, Chief Surgeon, during the current fiscal year, giving the same satisfactory results as in former years. The institution continues self-sustaining, contributions from employes covering all expenses.

The following brief summary shows the operations of this department for the current fiscal year, compared with the fiscal year ended June 30th, 1895:

Description.	June 30, 1896.	June 30, 1895.	Increase.
Patients in hospital at the beginning of year	47	36	11
Patients admitted during the year	2,232	1,381	851
Total	2,279	1,417	862
Number discharged	2,193	1,360	833
Number of deaths	16	10	6
Patients remaining in hospital at the close of year	70	47	23
Total	2,279	1,417	862
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	6,825	5,223	1,602
Total number of employes receiving hospital benefits	9,104	6,640	2,464
Death rate	0.7	0.7	—

While the increase in the number of patients treated at the hospital during the current fiscal year was 862, or 60.83 per cent., the death rate remained the same as for the previous fiscal year, .7 of one per cent. There was an increase this year in dispensary cases of 1,602, or 30.67 per cent.

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GENERAL REMARKS.

Attention is invited to the tables which will be found in the Appendix to this report containing statistical information concerning the operations of your property during the past eight years, and Income and Financial Exhibits for each of the separate corporations forming your System of Railways for the fiscal year ended June 30th, 1896.

It is the policy of the management to improve the physical condition of your property as rapidly as its finances will allow. Encouraged by the results of operation for the fiscal year ended June 30th, 1895, improvements and betterments were continued during the fiscal year ended June 30th 1896. These improvements will result in diminishing operating expenses in the future, and aid largely in quickly overcoming the deficit for the current fiscal year. The details of these improvements and betterments are specifically stated elsewhere in this report. In the sharp competition for business, time is so important a factor that to be placed on an equal footing with competitors, your Company must maintain its track and equipment to as high a degree of excellence as its financial ability and earning capacity will warrant.

The very short cotton crop of the past season as compared with the preceding season has been the principal cause for the diminished net earnings of your property. This, however, would have been largely overcome by the growth of business already established and the development of new industries on the line but for the almost unprecedented derangement of the

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general business of the country, caused by the agitation of the free silver craze. Men already engaged in business have curtailed their operations, while capital has remained idle, and stood appalled at the danger that seemed to threaten both the physical and financial life of the nation. It is believed that the American people will again prove their patriotism at the polls in November, and show by their ballots that they propose to maintain the honor and integrity of the Government. This being done, confidence will be restored, and business again resume its usual channel.

The Texas Midland R. R. having decided to extend its line to Paris, Texas, an agreement effective September 1st, 1896, was entered into, under the terms of which the Texas Midland R. R. was granted the use of your Company's track for their trains between Greenville and Commerce, Texas, a distance of 14.54 miles. This arrangement prevented the paralleling of your line for that distance—the Texas Midland building new road from Commerce to Paris only. Under this joint trackage arrangement friendly relations are maintained and ruinous competition thereby avoided.

It is with profound sorrow that the management announces the loss by death of two of your most competent and faithful officers, viz., Mr. O. McGowan, Superintendent of the Missouri Division, who died suddenly while on the line of the road near Clarendon, Ark., on July 1st, 1896, and Mr. Thos. Inglis, Master Mechanic of the lines in Texas, who also died very suddenly, at his home in Tyler, Texas, July 29th, 1896.

Mr. P. J. Conley, Superintendent of the Arkansas Division, became mentally incapacitated in April, 1896, and of course had to be relieved of his office, much to the regret of the management, as he had always been a conscientious and faithful officer.

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The exigency of the traffic situation has made it necessary to take from your Company to serve on the Board of Administration of the Southwestern Traffic Association, your former able and efficient General Traffic Manager, Mr. A. S. Dodge, whose services in his new position it is believed have resulted, and will in the future result, in aiding in the maintenance of freight rates governed by that Association.

The thanks of the management are again extended to the employes of your Company for their efficiency and fidelity in the discharge of their respective duties.

Very respectfully,

S. W. FORDYCE,

President.

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APPENDIX.

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Comparative Statistics.

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I.

Gross Earnings by Months—Entire System—For Eight Years ended June 30th, 1896.

Miles Operated . . .	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.
July	$227,185 56	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14
October	383,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51
November	335,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55
Total	$3,377,838 03	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86

II.

Operating Expenses by Months—Entire System—For Eight Years ended June 30th, 1896.
(including betterments.)

July	$268,005 81	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20
September	354,923 07	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61
Total	$3,404,516 05	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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III.

Net Earnings by Months—Entire System—For Eight Years ended June 30th, 1896.

Miles Operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.
July	**$ 40,820 25**	$ 57,925 86	**$ 84,541 68**	$ 28,143 21	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**
August	**110,319 00**	63,684 82	**72,656 61**	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13
September	**58,534 85**	112,910 01	**80,758 95**	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16
November	**21,458 47**	80,164 07	**67,782 70**	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73
January	**4,640 91**	**573 27**	**47,154 18**	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42
February	5,348 11	**57,005 96**	**36,378 60**	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98
March	31,265 12	**42,286 43**	**26,826 78**	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39
April	16,946 12	**86,501 97**	**53,497 84**	5,353 66	8,155 87	785 25	15,258 33	12,914 05
May	1,481 40	**82,531 70**	**36,880 81**	6,617 06	5,467 54	5,801 77	16,451 75	**9,930 51**
June	34,107 92	**108,668 77**	**63,620 07**	**26,120 14**	840 57	8,483 95	**17,022 44**	19,058 94
Total	**$26,678 02**	$226,462 28	**$525,999 75**	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32

Note.—Heavy-faced type denotes deficit.

IV.

Betterments (included in Operating Expenses) by Months—Entire System—For Eight Years ended June 30th, 1896.

July	$ 28,054 58	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58
April	5,554 76	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74	11,428 39
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87
Total	$381,221 15	$786,157 61	$1,089,159 83	$129,266 71	$182,665 06	$113,547 81	$197,086 33	$210,894 92

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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V.

Summary of Financial Results from Operation

For Eight Years ended June 30th, 1896—Entire System.

Fiscal Year ended June 30.	Miles Operated.	Gross Earnings.	Operating Expenses. (including betterments.)		Net Earnings.	All other Receipts.	Total Income.	Fixed and other charges against Income.	Balance.	
			Amount.	Per Cent. of Gross Earnings					Surplus.	Deficit.
1889	1,187.8	$3,377,838 03	$3,404,516 05	100.79	**$ 26,678 02**	$ 875 00	**$ 25,803 02**	$1,010,330 55	—	$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06

Note.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

Heavy-faced type denotes deficit.

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TRAFFIC STATISTICS FOR EIGHT YEARS ENDED JUNE 30TH, 1896—ENTIRE SYSTEM.

VI.

FREIGHT.

Fiscal Year ended June 30.	Miles operated.	Number of tons carried.	* Freight revenue.	Number of tons carried one mile.	Freight train mileage, including ¾ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per ton.	Average revenue per ton per mile.	Average distance haul of one ton (miles).	Average revenue per freight train mile.
1889	1,187.8	898,125	$2,662,170 13	203,004,973	1,729,767	$2,241 26	$2.9641	$0.0131	226.03	$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2.9410	0.0131	223.99	1.8403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VII.

PASSENGER.

Fiscal Year ended June 30.	Miles operated.	Number of passengers carried.	* Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1889	1,187.8	560,728	$557,745 10	21,154,434	875,328	$469 56	$0.9947	$0.0264	37.73	$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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VIII.

Train and Car Mileage Statistics for Eight Years Ended June 30th, 1896—Entire System.

Freight.

Fiscal Year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per Loaded car (tons).	Per Train (tons).	On this line.		On fr'gn lines.
														Home	Fr'gn.	Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19

IX.

Passenger.

Fiscal Year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177

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Income and Financial Exhibits.

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X.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1896.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$833,029 61		Freight	$2,344,743 54	
Motive power	504,914 32		Passenger	492,322 02	
Maintenance of cars	202,096 95		Mail	83,483 05	
Maintenance of way	567,329 84		Express	44,949 60	
General expenses	111,436 88	$2,218,807 60	Telegraph	3,259 92	
			Miscellaneous	35,503 06	$3,004,261 19
Net earnings	—	**785,453 59**			
		$3,004,261 19			$3,004,261 19
To Accrued interest on bonds	—	$ 800,000 00	By Net earnings brought down	—	$ 785,453 59
Taxes accrued	—	66,780 92	Interest on bonds owned—		
Interest and exchange	—	8,076 89	St. L. S. W. Ry. Co. of Texas,		
All other payments	—	8,585 51	First mortgage, $9,445,000.00 @ 4%	$ 377,800 00	
			Tyler Southeastern Ry. Co.,		
Total debits	—	$ 883,443 32	First mortgage . $660,000.00 @ 4%	26,400 00	
			Paragould Southeastern Ry. Co.,		
Surplus income for fiscal year ended June 30th, 1896, carried to credit of profit and loss account	—	**312,107 91**	First mortgage . . $25,000.00 @ 6%	1,500 00	405,700 00
			Sundry amounts	—	4,397 64
		$1,195,551 23	Total credits	—	$1,195,551 23

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1896.

To Proportion of discount on first mortgage certificates in Treasury sold	$ 32,076 57	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1895	$1,748,916 16
Balance to credit of profit and loss account, June 30th, 1896	**2,028,947 50**	Surplus income from operation for fiscal year ended June 30th, 1896, as per foregoing statement	312,107 91
	$2,061,024 07		$2,061,024 07

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1896.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$47,043,955 15	+ $ 9,371 09
Construction accounts		21,530 95	—
Real estate		27,327 95	—
Investments in stocks and bonds—			
Capital stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00		—
Capital stock Tyler Southeastern Ry. Co.	250,000 00		—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00		—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00		—
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00		—
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00		—
St. Louis Southwestern Ry. Co.:			
Capital Stock—			
Preferred $106,350 00			
Common 143,900 00			
1st mtg. certificates 140,000 00	390,250 00		- 216,365 20
Paragould Southeastern Ry. Co.— Capital stock $25,000 } Cost 1st mtge. bonds 25,000 } to Co.	25,000 00		—
First Mortgage Bonds Gulf and Ship Island Ry., par value $15,000, purchased for	1,500 00		—
		18,324,250 00	
Current assets, viz.:			
Cash	$ 84,590 89		+ 5,534 74
Sundry accounts collectible	142,468 39		+ 62,634 01
Advances to sundry agents	6,333 88		- 9,751 78
Prepaid insurance	1,436 30		- 418 23
	$234,829 46		—
Supplies on hand	219,510 19		+ 49,106 32
		454,339 65	
St. Louis Southwestern Ry. Co. of Texas, general account		1,763,095 78	+ 448,543 18
Tyler Southeastern Ry. Co., general account		112,670 06	+ 18,293 27
		$67,747,169 54	+ $366,947 40

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital Stock—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt—			
First mortgage bonds (4%)	$20,000,000 00		
Second mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations		173,843 90	- $ 61,405 91
Deferred liabilities, viz.—			
Notes payable—due on stated dates after July 1st, 1896	$212,284 35		+ 197,284 35
Interest on bonds—accrued, not due until Nov. 1st, 1896	133,333 33		—
Taxes accrued year 1896—not due until 1897	33,000 00		+ 600 00
Hospital fund	3,295 72		+ 1,897 46
		381,913 40	
Current liabilities, viz.—			
Audited vouchers unpaid	$366,972 94		+ 87,748 44
Audited pay-rolls unpaid	127,426 80		- 11,808 28
Interest on bonds—due and unpaid (unpresented coupons)	38,560 00		- 1,900 00
Notes payable—due on demand	75,600 00		- 99,900 00
		608,559 74	
Miscellaneous accounts		53,905 00	- 25,600 00
Balance to credit of profit and loss account, June 30th, 1896, as per detailed exhibit on preceding page		2,028,947 50	+ 280,031 34
		$67,747,169 54	+ $366,947 40

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XII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1896.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 543,675 60		Freight	$1,237,127 54	
Motive power	440,201 38		Passenger	418,950 85	
Maintenance of cars	123,464 92		Mail	54,399 20	
Maintenance of way	495,251 71		Express	23,644 80	
General expenses	103,628 85	$1,706,222 46	Telegraph	3,006 69	
			Miscellaneous	16,635 37	$1,753,764 45
Net Earnings	—	47,541 99			
		$1,753,764 45			$1,753,764 45
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	—	$ 47,541 99
Taxes accrued	—	56,468 26	Sundry amounts	—	3,952 46
Interest and exchange	—	7,675 34			
All other payments	—	6,465 25	Total credits	—	$ 51,494 45
			Deficit for fiscal year ended June 30th, 1896, carried to debit of profit and loss account	—	396,914 40
Total debits	—	$ 448,408 85			$ 448,408 85

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1896.

To Balance to debit of profit and loss account, July 1st, 1895—	$1,081,115 05	*By Balance to debit of profit and loss account, June 30th, 1896*	$ 1,508,640 93
Deficit from operation for fiscal year ended June 30th, 1896, as per foregoing statement	396,914 40		
Proportion of discount on first mortgage certificates, St. L. S. W. Ry. sold	30,611 48		
	$1,508,640 93		$1,508,640 93

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ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.

XIII.

CONDENSED BALANCE SHEET.

JUNE 30TH, 1896.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,156,784 08	+ $14,689 21
Current assets, viz.:			
Cash	$ 65,753 77		- 11,399 29
Sundry accounts collectible	28,935 11		- 21,171 90
Prepaid insurance	769 64		- 661 50
	$ 95,458 52		
Supplies on hand	69,763 94		- 11,244 76
		165,222 46	
Tyler Southeastern Ry. Co., general account		120,245 14	+ 77,073 44
Balance to debit of profit and loss account, June 30th, 1896, as per detailed exhibit on preceding page		1,508,640 93	+ 427,525 88
		$18,950,892 61	+ $474,811 08

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		$2,500,000 00	—
Funded debt—			
1st mortgage bonds (4%)	$ 9,445,000 00		
2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
Equipment trust obligations		185,248 70	- $ 50,001 11
Deferred liabilities, viz.:			
Notes payable—due on stated dates after July 1st, 1896	$ 100,130 65		+ 100,000 00
Taxes accrued year 1896—not due until 1897	28,870 10	129,000 75	+ 2,197 89
Current liabilities, viz.:			
Audited vouchers unpaid	$ 70,366 74		- 716 07
Audited pay-rolls unpaid	135,245 65	205,612 39	- 20,398 73
Miscellaneous accounts		434 99	- 4,814 08
St. Louis Southwestern Ry. Co., general account		1,763,095 78	+ 448,543 18
		$18,950,892 61	+ $474,811 08

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XIV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1896.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 65,698 34		Freight	$103,767 60	
Motive power	46,475 59		Passenger	32,873 75	
Maintenance of cars	18,955 69		Mail	5,326 64	
Maintenance of way	71,416 96		Express	3,405 60	
General expenses	4,797 90	$ 207,344 48	Telegraph	381 59	
			Miscellaneous	709 04	$ 146,464 22
			Deficit from operation	—	60,880 26
		$ 207,344 48			$ 207,344 48
To Deficit brought down	—	$ 60,880 26	By Sundry amounts	—	$ 226 60
Accrued interest on bonds	—	26,400 00			
Taxes accrued	—	5,302 79	Total credits	—	$ 226 60
Interest and exchange	—	432 74			
All other payments	—	254 38	*Deficit for fiscal year ended June 30th, 1896, carried to debit of profit and loss account*	—	93,043 57
Total debits	—	$ 93,270 17			$ 93,270 17

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1896.

To Balance to debit of profit and loss account July 1st, 1895	$ 136,501 14	*By Balance to debit of profit and loss account June 30th, 1896*	$231,684 00
Deficit from operation for fiscal year ended June 30th, 1896, as per foregoing statement	93,043 57		
Proportion of discount on first mortgage certificates St. Louis Southwestern Ry. sold	2,139 29		
	$ 231,684 00		$231,684 00

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XV.

TYLER SOUTHEASTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1896.

ASSETS.	Total.	+ Increase, − Decrease, This year.	LIABILITIES.		Total.	+ Increase, − Decrease, This year.
Cost of road and equipment	$1,246,171 44	+ $ 481 32	Capital Stock—			
			Common		$ 250,000 00	—
Current Assets, viz.:			Funded debt—			
Prepaid insurance	60 76	− 11 47	1st mortgage bonds (4%)	$ 660,000 00		
			2nd mortgage income bonds (4%, if earned)	330,000 00	990,000 00	—
Balance to debit of profit and loss account June 30th, 1896, as per detailed exhibit on preceding page	231,684 00	+ 95,182 86	Miscellaneous accounts		5,001 00	+ $ 286 00
			St. Louis Southwestern Ry. Co., general account		112,670 06	+ 18,293 27
			St. Louis Southwestern Ry. Co. of Texas, general account		120,245 14	+ 77,073 44
	$1,477,916 20	+ $ 95,652 71			$1,477,916 20	+ $95,652 71

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1897.

SIXTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1897.

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1897.

SIXTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1897.

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Compliments of

S. W. Fordyce,

President.

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The New York News Bureau.

TELEPHONE: 981 BROAD. NO. 41 BROAD STREET.

No. 62. Friday, April 2.

MR. GOULD WILL BUY ST. L. S. W. COUPONS.

Edwin Gould says: "Holders of St. Louis Southwestern Railway Company securities made a mistake in throwing them over as they did yesterday. There is no cause for it in the condition of the company. Our fixed charges are only $800,000 a year on a road over 1,200 miles in length. Our floating debt has been practically extinguished. We always make a temporary loan for our May interest payments, but pay it off in a short time from net earnings. We have felt the hard times, but have done much better than most Western roads. Our interest due May 1 is provided for, and I will purchase, through the secretary of the company at 195 Broadway, any coupons presented for collection, at their face value, deducting interest at 6 per cent. till May 1."

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

SIXTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1897.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING CO., 309 to 319 North Third Street.
1897.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1896.

S. W. FORDYCE	ST. LOUIS, MO.
EDWIN GOULD	IRVINGTON, N. Y.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
WINSLOW S. PIERCE	NEW YORK, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
ROBERT MOORE	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1897.

S. W. FORDYCE	St. Louis, Mo.
EDWIN GOULD	Irvington, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
J. A. EDSON	Tyler, Tex.
W. W. SELEY	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1897.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Tarrytown, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
J. A. EDSON	Tyler, Tex.
J. P. DOUGLAS	Tyler, Tex.
T. F. MURCHISON	Athens, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

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GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	*President*	ST. LOUIS, MO.
EDWIN GOULD	*Vice-President*	IRVINGTON, N. Y.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
S. H. WEST	*Attorney*	ST. LOUIS, MO.
J. A. EDSON	*General Superintendent*	TYLER, TEX.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Ass't Secretary and Treasurer*	ST. LOUIS, MO.
A. S. DODGE	*General Traffic Manager*	ST. LOUIS, MO.
R. S. DAVIS	*General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agt*	ST. LOUIS, MO.
H. G. KELLEY	*Chief Engineer*	TEXARKANA, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*President*	St. Louis, Mo.
EDWIN GOULD	*First Vice-President*	Irvington, N. Y.
J. A. EDSON	*Second Vice Pres't and Gen'l Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
GEORGE ERBELDING	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Chief Engineer*	Texarkana, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Tarrytown, N. Y.
J. A. EDSON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
H. G. KELLEY	*Chief Engineer*	Texarkana, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 1st, 1897.

To the Stockholders of the St. Louis Southwestern Railway Company:

The Sixth Annual Report exhibiting the results from the operation of the property owned and controlled by your company for the fiscal year ended June 30th, 1897, and showing the financial and physical condition of the same at the close of the fiscal year, is herewith respectfully submitted.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1897, compared with the preceding fiscal year:

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
Gross earnings	$4,743,546 43	$4,904,489 86	—	$160,943 43
Operating expenses (including betterments)	3,855,888 24	4,132,374 54	—	276,486 30
Net earnings	$ 887,658 19	$ 772,115 32	$115,542 87	—
All other receipts	3,584 17	10,076 70	—	$ 6,492 53
Total income over operating expenses	$ 891,242 36	$ 782,192 02	$109,050 34	—
Fixed and other payments charged against income:				
Accrued interest on first mortgage bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes accrued	121,485 44	128,551 97	—	$ 7,066 53
Interest and exchange	17,268 31	16,184 97	$ 1,083 34	—
All other payments	15,676 87	15,305 14	371 73	—
Total charges against income	$ 954,430 62	$ 960,042 08	—	$ 5,611 46
Deficit carried to debit of profit and loss account	$ 63,188 26	$ 177,850 06	—	$114,661 80

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A further comparison of the general operating results for the current fiscal year, with those of the preceding fiscal year, is shown in the following table:

Gross earnings	decrease	$160,943.43	or	3.28%
Freight earnings	decrease	17,156.91	or	.47%
Passenger earnings	decrease	159,128.55	or	16.85%
Mail, express, telegraph and miscellaneous earnings	increase	15,342.03	or	5.58%
Operating expenses (including betterments)	decrease	276,486.30	or	6.69%
Betterments	decrease	97,350.54	or	46.16%
Extraordinary expenses	decrease	29,079.88	or	41.85%
Operating expenses (exclusive of betterments and extraordinary expenses)	decrease	150,055.88	or	3.90%
Total tonnage (tons)	increase	37,631	or	2.53%
Average revenue per ton per mile	decrease	$0.0005	or	4.24%
Total number of passengers carried	decrease	131,911	or	14.10%
Average revenue per passenger per mile	increase	$0.0001	or	.43%
Total train mileage	increase	73,960	or	2.16%

The results from operation for the fiscal year ended June 30th, 1897, as shown in the foregoing tables, reflect in no small degree the general financial and industrial depression which has prevailed throughout this country for the past several years; these unfavorable conditions being intensified during the year for which this report is rendered by the business uncertainties usually incident to presidential election years. Aside from this, there existed certain special and local conditions which seriously affected the revenues of your company and other lines extending through contiguous territory, among which may be mentioned the inactivity of the lumber market (lumber as a rule forming about fifty per cent. of the total tonnage transported by your company), and the disastrous floods caused by the overflow of the Mississippi river in the spring of 1897.

The unfavorable business conditions which existed during the current fiscal year are shown more forcibly in the large decrease in passenger revenue throughout the country than in any other branch of railroad traffic. The shrinkage in the incomes of the people prohibited them from traveling with the same freedom as

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before. Comparatively, but little traveling was done for pleasure, and business trips were curtailed as much as possible.

While the passenger revenue for the fiscal year ended June 30th, 1897, as compared with the preceding fiscal year, shows a decrease of $159,128.55, or 16.85 per cent., the freight revenue shows a decrease of only $17,156.91, or .47 of one per cent., and the number of tons of freight carried shows an increase of 37,631 tons, or 2.53 per cent. Although freight rates were reasonably well maintained during the past fiscal year, the average revenue per ton per mile decreased $0.0005, or 4.24 per cent. Had your company obtained the same average revenue per ton per mile for the freight carried during the fiscal year ended June 30th, 1897, that it received during the fiscal year ended June 30th, 1896, the total revenue derived from freight traffic would have been $172,090.09 more than it actually received.

In this connection, attention is called to the decision of the Supreme Court, handed down March 22d, 1897, in the case of the United States *vs.* Trans-Missouri Freight Association, for the purpose of having the agreement between the defendant railroad companies, for mutual protection, by establishing reasonable rates, rules and regulations on all freight traffic, set aside and declared illegal and void, and to have the Association dissolved. On account of this decision the Southwestern Traffic Association was abolished and the Southwestern Freight Bureau established, under an agreement dated June 7th, 1897. It is believed that the Articles of Agreement under which the Southwestern Freight Bureau has been established are not in violation of any law, either State or Federal.

Notwithstanding the increase of 2.53 per cent. in total tonnage, and of 2.16 per cent. in train mileage, which would naturally have a tendency to increase the operating expenses, there is a decrease of 6.69 per cent. in operating expenses, including betterments and extraordinary expenses, and a decrease of 3.90 per cent. in operating expenses, exclusive of betterments and

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extraordinary expenses. This decrease in operating expenses has not been accomplished by a reduction of the expenditure for work on the road-bed and track, as practically the same amount of money has been expended in maintaining and improving the track during the fiscal year ended June 30th, 1897, as during the preceding fiscal year.

Your Magnolia, Arkansas, branch of 6.4 miles has been leased to the Louisiana & Northwestern Railroad at a rental of $3,960 per year, payable semi-annually on the first days of April and October. This lease is effective as soon as the Louisiana & Northwestern Railroad shall have completed its track and begun the operation of the same from the town of Magnolia to a point on the State line between Louisiana and Arkansas, and is to continue for a period of twenty years from that date. The reason for making this lease was to get rid of the operation of this small branch, which has been a burden upon your property; *i. e.*, it costs more to operate and maintain than the revenue derived from it. In addition to this a traffic agreement has been made with the Louisiana & Northwestern Railroad that will open up to your company about eighty miles of new and undeveloped territory, rich in timber and cotton products, which will add both to the tonnage and revenue of your property.

On account of the expensive and difficult transfer between Bird's Point, Mo., and Cairo, Ill., your company has annually suffered heavy losses by the diversion of its traffic, caused by both high and low water and ice gorges in the river, as well as great difficulty in maintaining its incline on account of the shifting water currents and caving bank of the river. To obviate this trouble in future, it has been deemed most wise by your Board of Directors to establish and maintain a cheaper and more certain crossing at a point some seventeen miles in a Northeasterly direction from Delta, Mo., known as Grays Point, on the Mississippi river, being the shortest distance for transfer across the river and being also considered by expert engineers as the

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safest and best point to maintain and operate an incline and boat transfer system. The Chicago & Texas Railroad will extend its line from its present Southern terminus at East Cape Girardeau, to a point in Illinois opposite Grays Point, thus enabling your company to exchange business with that line, and through that line with the Mobile & Ohio Railroad at Murphysboro, Ill.; the Chicago & Eastern Illinois Railroad at Johnston City, Ill., and the Illinois Central Railroad at Carbondale and Harrison, Ill. In order to accomplish this, your company has entered into a contract with the Grays Point Terminal Railway Company to construct a line of road from Delta, Mo., to Grays Point, with suitable yards, double track incline, station houses, and all other necessary appliances. The contract with the aforenamed company is considered a most favorable one, as the Terminal company takes in payment its own five per cent. semi-annual interest bearing fifty-year bonds at ninety cents on the dollar, both principal and interest to be guaranteed by your company; the total amount of capital stock of the Terminal company to be assigned to your company. The estimated cash outlay of the Terminal company will be about $260,000, and the total amount of bonds issued will be not to exceed $300,000, which will only increase your annual interest charge not to exceed $15,000. When it is considered that the cost to your company has averaged at least $50,000 per annum in extraordinary expenses at Bird's Point, which includes the diversion of its traffic, it is certainly good policy to reduce this expenditure to $15,000 per annum by the building of the Grays Point Terminal Railway and incline. A conservative estimate of the damage done your property by the high water of March and April, 1897, and the loss of revenue sustained, will amount to fully $100,000.

An extension of the Paragould Southeastern Railway is being constructed from Cardwell, Mo., the present terminus, eastward to Hornersville on Little river, a distance of about 10.5 miles,

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the cost of which is estimated to be less than $4,000 per mile. This addition to the line will be bonded for the exact cost of construction and equipment, and stock will be issued equal to the amount of the bonds. Your company will furnish second-hand 35-pound rails and fastenings, which have been taken out of its main line, necessary to lay this new track, and will also furnish some second-hand equipment when the operation of this extension is commenced; in return for which it will receive in payment bonds and stocks covering the extension. Other parties furnish the additional money required for grading, bridging and tieing. This new portion of the line extends through about six miles of timber country, and the balance through cleared land in a very productive section, which will largely increase the earnings of the Paragould Southeastern Railway and render that line a more valuable feeder for your company. It is expected that this new extension will be completed and in operation by October 1st, 1897.

It has been determined by your Board to make a trackage arrangement with some line for the purpose of securing an entrance into the City of Dallas, Texas, which city can be reached from points of intersection with this line and the Gulf, Colorado & Santa Fe Railway at Wylie, the Houston & Texas Central Railroad at Plano, or the Missouri, Kansas & Texas Railway from Carrollton. Negotiations for this proposed entrance are now pending with two of these companies, and it is believed that a satisfactory agreement can soon be reached. It is certainly greatly to the interest of your company to be able to do business over its own and leased lines in and out of so important a city as Dallas, and especially so in view of the fact that your company would only have to use from fourteen to twenty-one miles of leased track.

The good prices now being obtained for wheat and corn, together with the duty of $2.00 per thousand which has been placed on Canadian lumber, is having a marked effect for the

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better on the traffic of your line. Since the close of the fiscal year for which this report is made, lumber shipments have increased very materially. One month ago the prospects were for a largely increased production of cotton in Texas, Arkansas and Louisiana, but the extremely hot and dry weather will diminish this output from 10 to 20 per cent., as compared with what was promised four weeks ago. Notwithstanding this, it is believed that more cotton will be produced in the territory tributary to your lines during the season of 1897-8, than during the preceding season.

The general business of the country, especially in the Southwest, is fast improving. It is therefore confidently believed that the fiscal year ending June 30th, 1898, will show a good increase both in the gross and net earnings of your property.

As shown in detail in this report, the physical condition of your property has steadily improved; and this improvement will be continued as fast as the earnings will justify.

A careful perusal of the contents of the several chapters headed respectively "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way," "Motive Power and Car Department," etc., which follow, is invited, as they will be found to contain a detailed analysis of the results from operation, and of the maintenance and improvement of your property.

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MILES OPERATED.

The length of main track operated, on which all computations pertaining to earnings, expenses and traffic statistics are based, and of side tracks, is shown in the following table:

MILES OF TRACK OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main track.	Side track.	Total.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Main line	418.0	102.2	520.2
New Madrid branch	5.7	.3	6.0
Delta branch	51.4	8.0	59.4
Little Rock branch	41.7	5.6	47.3
Magnolia branch	6.4	.4	6.8
Shreveport branch	59.5	8.4	67.9
Total	582.7	124.9	707.6
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Main line	304.6	52.0	356.6
Sherman branch	109.9	14.5	124.4
Ft. Worth branch	97.2	14.2	111.4
Hillsboro branch	40.0	4.2	44.2
Total	551.7	84.9	636.6
TYLER SOUTHEASTERN RY. CO.—			
Main line	88.6	8.1	96.7
ENTIRE SYSTEM—			
Total miles of track June 30, 1897	1,223.0	217.9	1,440.9
Total miles of track June 30, 1896	1,223.0	211.7	1,434.7
Increase	—	6.2	6.2

The length of main track remains the same as at the close of the preceding fiscal year.

During the fiscal year ended June 30th, 1897, there have been laid 6.1 miles of new side and passing tracks for railroad purposes, and 4.9 miles of new private and spur tracks for saw mills and other local industries, making a total of 11 miles of new side track. There have been taken up 4.8 miles of old side track, making a net increase of 6.2 miles in side track during the fiscal year ended June 30th, 1897.

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FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1897.
2. Statement of profit and loss account, to June 30th, 1897.
3. Condensed balance sheet, June 30th, 1897.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year, also your company's financial condition at the close of the fiscal year ended June 30th, 1897, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit	A.
Betterments and extraordinary expenses	"	A.
Accrued interest on bonds	"	B.
Taxes accrued	"	C.
Interest and exchange	"	D.
All other payments charged against income account	"	E.
Interest on bonds owned	"	F.
All other receipts credited income account	"	G.
Cost of road and equipment	"	H.
Construction accounts	"	I.
Real estate	"	J.
Investments in stocks and bonds	"	K.
Capital stock	"	L.
Funded debt	"	M.
Equipment trust obligations	"	N.
Floating debt	"	O.
Miscellaneous accounts	"	P.
Summary of financial transactions	"	Q.

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Income Account—Entire System.

Year Ended June 30th, 1897.

To Expenses (see exh. A, page 18)—			By Earnings (see exh. A, page 18)—		
Conducting transportation	$1,342.236 94		Freight	$3,668,481 77	
Motive power	925,062 15		Passenger	785,018 07	
Maintenance of cars	312,716 68		Mail	146,231 84	
Maintenance of way	1,117,472 22		Express	72,000 00	
General expenses	158,400 25	$3,855,888 24	Telegraph	6,502 45	
Net earnings	—	**887,658 19**	Miscellaneous	65,312 30	$4,743,546 43
		$4,743,546 43			$4,743,546 43
To Accrued interest on bonds (see exh. B, p. 22)	—	$ 800,000 00	By Net earnings brought down		$887,658 19
Taxes accrued " C " 23	—	121,485 44	Interest on bonds owned (see exh. F, page 24)	$1,500 00	—
Interest and exchange " D " 23	—	17,268 31	All other receipts (see exh. G, p. 24)	2,084 17	3,584 17
All other payments " E " 24	—	15,676 87	Total credits	—	$891,242 36
			Deficit for fiscal year ended June 30th, 1897, carried to debit of profit and loss account	—	**63,188 26**
Total debits	—	$954,430 62			$954,430 62

Profit and Loss Account—Entire System—June 30th, 1897.

To Deficit from operation for fiscal year ended June 30th, 1897, brought down	$ 63,188 26	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1896	$ 288,622 57
Discount on first mortgage certificates sold	45,887 97		
Compromise settlement of suit of Britton & Lyon, contractors *vs.* St. L. A. & T. Ry. in Texas, for construction work done on Sherman & Ft. Worth branches in 1887-8	6,073 85		
Bad debts charged off—			
Gulf & Ship Island Ry. balance of account—uncollectible	7,567 44		
Receiver, Newport News & Mississippi Valley Co.—uncollectible	201 86		
Balance to credit of profit and loss account, June 30th, 1897	**165,703 19**		
	$ 288,622 57		$ 288,622 57

Note.—See appendix for income account and profit and loss account of each company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1897.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. H, page 25)		$65,457,514 71	+ $10,604 04
Construction accounts (see exh I. page 25)		21,530 95	—
Real estate (see exh. J, page 26)		27,327 95	—
Investments (see exh. K, page 26)—			
Stocks and bonds owned		275,250 00	- 141,500 00
Current assets (see exh. O, page 30)—			
Cash	$156,718 03	—	+ 6,373 37
Sundry accounts collectible	111,988 51	—	- 59,280 00
Advances to sundry agents (to be accounted for)	3,576 20	—	- 2,757 68
Prepaid insurance	4,650 63	—	+ 2,383 93
	$276,933 37	—	—
Supplies on hand	247,877 48	—	- 41,396 65
		524,810 85	
		$66,306,434 46	- $225,572 99

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock (see exh. L, page 28)—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt (see exh. M, page 28)—			
1st mortgage bonds (4%)	$20,000,000 00		
2d mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations (see exh. N, page 29)		294,557 74	- $64,534 86
Deferred liabilities (see exh. O, page 30)—			
Notes payable—due on stated dates after July 1st,	$377,500 00	—	+ 65,085 00
Interest on bonds—accrued, not due until Nov. 1st, 1897	133,333 33	—	—
Taxes accrued year 1897—not due until 1898	62,096 30	—	+ 226 20
Hospital fund	4,360 66	—	+ 1,064 94
		577,290 29	
Current liabilities (see exh. O, page 30)—			
Audited vouchers unpaid	$392,104 84	—	- 45,234 84
Audited pay-rolls unpaid	253,802 40	—	- 8,870 05
Interest on bonds—due and unpaid (unpresented coupons)	32,600 00	—	- 5,960 00
Notes payable—due on demand	—	—	- 75,600 00
		678,507 24	
Miscellaneous accounts (see exh. P, page 31)		90,376 00	+ 31,170 00
Balance to credit of profit and loss account, June 30th, 1897, as per detailed exhibit on preceding page		165,703 19	- 122,919 38
		$66,306,434 46	- $225,572 99

NOTE.—See appendix for condensed balance sheet of each company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
Earnings—						
Freight	$3.668,481 77	$3,685,638 68	—	—	$ 17,156 91	0.47
Passenger—local	522,751 28	618,128 47	—	—	95,377 19	15.43
Passenger—foreign	262,266 79	326,018 15	—	—	63,751 36	19.55
Mail	146,231 84	143,208 89	$ 3,022 95	2.11	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,502 45	6,648 20	—	—	145 75	2.19
Miscellaneous	65,312 30	52,847 47	12,464 83	23.59	—	—
Total	$4,743,546 43	$4,904,489 86	—	—	$160,943 43	3.28
Earnings per mile of road	$ 3,878 62	$ 4,010 21	—	—	$ 131 59	3.28
Expenses (including betterments)—						
Conducting transportation	$1.342,236 94	$1,442,403 55	—	—	$100,166 61	6.94
Motive power	925,062 15	991,591 29	—	—	66,529 14	6.71
Maintenance of cars	312,716 68	344,517 56	—	—	31,800 88	9.23
Maintenance of way	1,117,472 22	1,133,998 51	—	—	16,526 29	1.46
General expenses	158,400 25	219,863 63	—	—	61,463 38	27.96
Total	$3,855,888 24	$4,132,374 54	—	—	$276,486 30	6.69
Expenses per mile of road	$ 3,152 81	$ 3,378 88	—	—	$ 226 07	6.69
Percentage of expenses to earnings	81.29	84.26	—	—	2.97	3.52
Net Earnings	$ 887,658 19	$ 772,115 32	$115,542 87	14.96	—	—
Per mile of road	$ 725 81	$ 631 33	$ 94 48	14.96	—	—
Percentage of total earnings	18.71	15.74	2.97	18.87	—	—
Expenses and Taxes—						
Expenses	$3,855,888 24	$4,132,374 54	—	—	$276,486 30	6.69
Taxes accrued	121,485 44	128,551 97	—	—	7,066 53	5.50
Total	$3,977,373 68	$4,260,926 51	—	—	$283,552 83	6.65
Per mile of road	$ 3,252 15	$ 3,484 00	—	—	$ 231 85	6.65
Percentage of total earnings	83.85	86.88	—	—	3.03	3.49
Surplus after paying taxes	$ 766,172 75	$ 643,563 35	$122,609 40	19.05	—	—
Per mile of road	$ 626 47	$ 526 21	$ 100 26	19.05	—	—

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Betterments and Extraordinary Expenses,

Included in the foregoing Statement of Operating Expenses.

Entire System.	Betterments.		Extraordinary Expenses.	
	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.
Conducting transportation .	$ 1,957 07	$ 8,284 21	$ 4,890 71	$ 42,502 27
Motive power	13,961 37	32,522 04	923 05	—
Maintenance of cars	12,791 56	29,143 84	448 77	—
Maintenance of way	84,834 38	140.944 83	34,150 40	26,990 54
Total	$ 113,544 38	$ 210,894 92	$ 40,412 93	$ 69,492 81
Decrease this year	$ 97,350 54	—	$ 29,079 88	—
Per cent. of decrease.	46.16	—	41.85	—

The decrease in the amounts expended for betterments is due in a large measure to the decrease of $41,959.22 in the expenses incident to the change of gauge of the Tyler Southeastern Railway, the work in connection therewith having been about completed during the preceding fiscal year.

The several items composing the expenditure for betterments during the year ended June 30th, 1897, are as follows:

New station houses, platforms, etc.—		
Extension to freight depot at Tucker, Ark. .	$ 488 61	
Extension to freight depot at Keo, Ark. . .	432 62	
Grading for joint depot with Texas Midland R. R. at Commerce, Texas	199 58	$ 1,120 81
Additional stock pens.—		
Wabbaseca, Ark.	$ 115 28	
Redwater, Texas	44 65	
Weaver, Texas	135 49	
Carrollton Texas	255 86	
Wells, Texas	145 66	
Enlarging stock pens at Alto, Texas	139 32	836 26
Improvements at Pine Bluff shops.—		
Air hoists for cinder pits	$ 175 91	
Air hoists for coal bins	175 91	
Air compressors and air jacks	958 04	1,309 86
Amount carried forward		$3,266 93

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Amount brought forward		$3,266 93
Improvements to Texarkana shops and shop grounds (commenced in April, 1895)—		
Additional tracks		309 88
Improvements at Commerce, Texas (commenced in November, 1894)—		
Additional tracks		190 80
Improvements to Tyler shops and yard (commenced last year—unfinished)—		
New turntable and cinder pit	$3,875 32	
New coal platform	471 66	
Air hoist for cinder pits	560 16	
Air hoist for coal bins	340 26	
Moving lumber off right of way	26 28	
Frogs for round house and turntable	239 68	
Putting in drain boxes	208 17	
Loading cinders to ballast track	276 32	
Grading	2,309 32	
Laying side tracks	746 62	
Changing tracks	5,909 03	
Engineering expenses	204 72	15,167 54
New fence around pond at Tom Bean, Texas		88 78
New dam at Plano, Texas		4,579 35
Air brakes for locomotives		1,148 99
Second toilet room and cooler for coaches		424 00
Air brakes and automatic couplers for freight cars		10,597 54
Pintsch gas equipment and vestibule ends for mail car No. 81		540 31
Expenses incident to change of gauge T. S. E. R'y—(commenced last year)—		
Changing locomotives from narrow to standard gauge	$2,168 46	
Changing freight cars from narrow to standard gauge	648 24	
New crossing, T. S. E. yard	28 25	
Frogs	327 95	
Widening and preparing cuts and embankments	59 58	
Spreading rails of side tracks	187 10	
	$3,419 58	
Spikes—track, credit account old track spikes sold	184 81	3,234 77
Amount carried forward		$39,548 89

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Amount brought forward		$39,548 89
Ballasting—		
Main line, Arkansas, mile 280	$ 516 97	
Main line, Arkansas, miles 297 to 299	1,632 02	
Shreveport branch, miles K-412½ to K-415	1,231 43	
Main line, Texas, miles 435 and 436	799 55	
Main line, Texas, miles 501 to 503 (Lilley Creek bottom)	1,433 84	
Main line, Texas, miles 660 and 661 (commenced last year)	690 29	
Sherman branch, miles D-508 and D-509	1,019 37	
Sherman branch, mile D-541 (commenced last year)	31 17	
Sherman branch, mile D-545 and D-546	492 84	7,847 48
New bridges—		
White river, M. P. 215, main line, Arkansas (commenced last year)	$6,281 65	
Sabine river, M. P. 526, main line, Texas (commenced last year)	2,001 58	8,283 23
Raising approaches to bridge No. 472, near M. P. 570, main line, Texas		423 79
Improvements to Big Creek bottom, miles 280 and 284, main line, Arkansas (commenced in November, 1894)		201 40
Improvements to Big Cypress bottom, miles 489 and 490, main line, Texas, to raise track above overflow		9,994 45
Changing alignment, mile 485, main line, Texas (Big Cypress hill)		421 75
Reducing grade line, M. P. 425, main line, Texas		73 08
Widening embankments and raising track in Bayou La Grue, miles 222 and 223, main line, Arkansas, subject to overflow		797 64
Ballasting, widening embankments, and truing grade line, M. P. 302 to 309 and 317 to 324, main line, Arkansas (commenced last year)		13,706 33
Widening embankments, miles 84 to 86 and 104 to 105, main line, Arkansas		438 70
New standard fence		12,432 95
New standard tile culverts		736 53
New city team track at Shreveport, La		7,190 64
New coach and engine tracks at Ft. Worth, Texas		386 66
Amount carried forward		$102,483 52

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Amount brought forward		$102,483 52
New saw mill spurs, private and side tracks—		
Ballasting	$ 70 78	
Crossings	8 40	
Ties	1,829 15	
Frogs	1,174 50	
Steel rails	4,483 45	
Spikes	327 72	
Splices, etc.	436 24	
Switch fixtures	581 41	
Labor putting in	1,930 71	10,842 36
Engineering expenses—		
Cost of special surveys		218 50
Total		$113,544 38

The several items composing the expenditure for extraordinary expenses during the year ended June 30th, 1897, are as follows:

Cost of clearing freight wrecks	$ 429 82
Cost of repairing trestles damaged by fire	750 14
Watching and going over track after storms	207 96
Cost of protecting track on east bank of Arkansas river near Little Rock, Ark., which was caving in rapidly	11,773 60
Expenses incurred in protecting property and repairing damages caused by high water and washouts, principally near Bird's Point, Mo., due to overflow of Mississippi river	27,251 41
Total	$40,412 93

EXHIBIT B.

Accrued Interest on Bonds—Entire System.

The semi-annual interest on first mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 12, due November 1st, 1896	$400,000 00
Coupon No. 13, due May 1st, 1897	400,000 00
Total	$800,000 00

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EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

Taxes accrued, fiscal year ended June 30th, 1897	$121,485 44
Taxes accrued, fiscal year ended June 30th, 1896	128,551 97
Decrease	$ 7,066 53

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought and used in paying taxes. The difference between the face value and cost of warrants to the company is credited to "Taxes Accrued." During the fiscal year ended June 30th, 1897, the profit on warrants purchased amounted to $4,380.23.

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1896.	Year 1895.	Increase.	Decrease.
Missouri	$ 14,102 92	$ 13,599 34	$ 503 58	—
Arkansas	51,480 04	52,000 59	—	$ 520 55
Louisiana	4,971 10	4,562 10	409 00	—
Texas	55,311 61	58,963 65	—	3,652 04
Total taxes paid—calendar year .	$125,865 67	$129,125 68	—	$3,260 01

EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

Total for year ended June 30th, 1897	$17,268 31
Total for year ended June 30th, 1896	16,184 97
Increase	$ 1,083 34

This account covers the net amount expended for interest on floating debt.

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EXHIBIT E.

All Other Payments Charged Against Income Account—Entire System.

Description.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
Equipment trust expenses, St. Louis Southwestern Car Trust—Series A . . .	$13,783 44	$14,266 75	—	$483 31
Adjustment of sundry accounts	1,893 43	1,038 39	$855 04	—
Total	$15,676 87	$15,305 14	$371 73	—

EXHIBIT F.

Interest on Bonds Owned—Entire System

Description.	Year ended June 30, 1897.	Year ended June 30, 1896.	Decrease.
Interest on first mortgage certificates of the St. Louis Southwestern Ry. Co., in Treasury, 4%	—	$6,866 68	$6,866 68
Interest on $25,000 first mortgage bonds Paragould Southeastern Ry. Co., 6%	$1,500 00	1,500 00	—
Total	$1,500 00	$8,366 68	$6,866 68

The large decrease in this account is due to the sale in September, 1896, of the balance of $140,000 (par value) of first mortgage certificates of the St. Louis Southwestern Railway Co. held in the Treasury. The interest which accrued from July 1st, 1896, to date of sale was covered by the coupon due November 1st, 1896, which was left attached to the certificates when sold.

EXHIBIT G.

All Other Receipts—Credited Income Account. Entire System.

Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1897	$2,084 17
Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1896	1,710 02
Increase.	$ 374 15

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EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

CHANGES DURING YEAR ENDED JUNE 30TH, 1897.			
RIGHT OF WAY SETTLEMENTS			$2,047 25
ADDITIONAL LAND PURCHASED—			
For station and yard facilities at Rector and Paragould, Ark., and Mt. Pleasant, Pittsburg and Hillsboro, Tex.		$1,101 50	
For additional right of way to obtain earth to raise track subject to overflow, etc.		210 15	
For reservoir for company water supply at Mt. Pleasant, Texas		250 00	
For right-of-way to gravel pits near Pittsburg and Gatesville, Texas.		42 50	
For additional shop and yard facilities at Tyler, Texas		8,270 00	9,874 15
Total additions			$11,921 40
EQUIPMENT—			
Locomotives sold—			
One narrow gauge locomotive sold, less cost of repairs		$1,962 09	
Less locomotives fitted up for sale and cars built—			
One narrow gauge locomotive fitted up for sale, not yet disposed of	$169 67		
One new pile driver built	475 06	644 73	
Net reduction account of equipment			1,317 36
Total net additions for the year			$10,604 04

COST OF ROAD AND EQUIPMENT TO JUNE 30TH, 1897.	
Total cost to July 1st, 1896	$65,446,910 67
Total net additions for the fiscal year ended June 30th, 1897	10,604 04
Total cost of road and equipment to June 30th, 1897	$65,457,514 71

EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
Total	$21,530 95

No changes have been made in these accounts during the fiscal year ended June 30th, 1897.

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EXHIBIT J.

Real Estate—Entire System.

In Little Rock (not used for railroad purposes) $27,327 95

During the fiscal year ended June 30th, 1897, no change has been made in this account.

EXHIBIT K.

Investments in Stocks and Bonds—Entire System.

Class of Security.	Interest received this year.	June 30, 1897.		June 30, 1896.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, Paragould Southeastern Ry. Co. . .	—	$ 25,000 00	—	$ 25,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	$1,500 00	25,000 00	$ 25,000 00	25,000 00	$ 25,000 00
First mortgage bonds, Gulf & Ship Island Ry	—	—	—	15,000 00	1,500 00
Capital stock, St. L. S. W. Ry. Co.—preferred . . .	—	106,350 00	106,350 00	106,350 00	106,350 00
Capital stock, St. L. S. W. Ry. Co.—common . . .	—	143,900 00	143,900 00	143,900 00	143,900 00
First mortgage certificates, St. L. S. W. Ry. Co.—4% .	—	—	—	140,000 00	140,000 00
Total.	$1,500 00	$ 300,250 00	$275,250 00	$455,250 00	$416,750 00
Decrease current fiscal year	—	$ 155,000 00	$141,500 00	—	—

First Mortgage Certificates—St. Louis Southwestern Railway Company.

In September, 1896, the balance of $140,000 first mortgage certificates, remaining in the Treasury was sold with the November 1896 coupons attached, which accounts for the fact that no interest on these certificates was received during the current fiscal year.

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STOCK AND BONDS—PARAGOULD SOUTHEASTERN RAILWAY COMPANY.

As stated in the Fifth Annual Report for the year ended June 30th, 1896, page 25, your company owns one-half of the capital stock and one-half of the bonds, now outstanding, of the Paragould Southeastern Railway Company, which connects with this line at Paragould, Ark., and extends from that point to Cardwell, Mo., a distance of 12.05 miles. The first mortgage bonds of the Paragould Southeastern Railway Company bear interest at the rate of 6 per cent., and the interest on the $25,000 of such bonds owned by your company, which fell due during the year, was promptly paid.

The annual report of that company, submitted by the President, Mr. W. C. Hasty, of Paragould, Ark., shows the following financial results from operation for the fiscal year ended June 30th, 1897: Gross earnings, $17,827.05; operating expenses, $10,486.13; net earnings, $7,340.92; accrued interest on bonds, accrued taxes, and all other payments charged against net earnings, $3,223.19; surplus income, $4,117.73.

FIRST MORTGAGE BONDS—GULF & SHIP ISLAND RAILWAY COMPANY.

Your company held a judgment against the Gulf & Ship Island Railway in the amount of $12,000, on account of a note given by the Union Investment Company in settlement for 35-pound rails, to be used in construction of the Gulf & Ship Island Railway, secured by $15,000 of first mortgage bonds as collateral. The negotiations looking toward a settlement of this account, mentioned in the Fifth Annual Report for the year ended June 30th, 1896, page 26, as pending, have been concluded, and upon the surrender of the $15,000 of first mortgage bonds a net collection of $6,000 was effected in full settlement of all charges against the Gulf & Ship Island Railway Company, and the Union Investment Company. This amount was applied, first, toward settlement of the purchase price of the bonds, namely, $1,500,

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and the remainder was credited to the judgment against the Gulf & Ship Island Railway, leaving an unsettled balance, on the judgment, of $7,567.44, which was charged off to profit and loss account. Considering the character and age of this debt, and the various interests involved in the litigation, this settlement may be regarded as exceedingly favorable to your company.

EXHIBIT L.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30th, 1897.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total.	365,000	—	$36,500,000 00	$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT M.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1897.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Total. .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

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EXHIBIT N.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1897.

Total outstanding June 30th, 1896	$359,092 60
Deduct—	
Notes paid during fiscal year ended June 30th, 1897, amounting to	64,534 86
Total outstanding June 30th, 1897, shown in detail below	$294,557 74

WHEN DUE.	St. L. Ark. & Tex. Ry. Series "A 37."	St. L. S. W. Ry. Series "A."	Total.
Due prior to July 1st, 1897, extended	—	$44,000 00	$ 44,000 00
Due during year ending June 30th, 1898	$ 77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	25,000 00	25,000 00
Total	$100,557 74	$194,000 00	$294,557 74
Average annual payment for six years	—	—	$ 49,092 96

During the fiscal year ended June 30th, 1897, the last note covered by Equipment Trust Agreement, Series A–1, of St. Louis Arkansas & Texas Railway issue, was paid, and the equipment covered by that agreement is now owned by your company.

Attention is called to the fact that the amount of notes paid during the current fiscal year, namely, $64,534.86, is greater than the average annual payment shown in the Fifth Annual Report, namely, $51,298.94, which reduces the average annual payment on equipment trust obligations outstanding June 30th, 1897, for the next six years to $49,092.96.

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EXHIBIT O.

FLOATING DEBT—ENTIRE SYSTEM.
JUNE 30TH, 1897.

ACCOUNTS.	June 30, 1897.	June 30, 1896.	+ Increase, - Decrease, This year.
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	$ 377,500 00	$ 312,415 00	+$ 65,085 00
Interest on bonds, accrued—not due until November 1st	133,333 33	133,333 33	—
Taxes accrued to June 30th—not due until December 31st	62,096 30	61,870 10	+ 226 20
Hospital fund	4,360 66	3,295 72	+ 1,064 94
	$ 577,290 29	$ 510,914 15	+$ 66,376 14
CURRENT—			
Audited vouchers unpaid	$ 392,104 84	$ 437,339 68	-$ 45,234 84
Audited pay rolls unpaid	253,802 40	262,672 45	- 8,870 05
Interest on bonds—due and unpaid (unpresented coupons)	32,600 00	38,560 00	- 5,960 00
Notes payable—due on demand	—	75,600 00	- 75,600 00
	$ 678,507 24	$ 814,172 13	-$ 135,664 89
Total deferred and current liabilities	$1,255,797 53	$1,325,086 28	-$ 69,288 75
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$ 62,468 15	$ 51,268 21	+$ 11,199 94
Remittances in transit from agents and conductors	54,639 21	52,692 48	+ 1,946 73
In hands of Paymaster	4,957 58	4,629 00	+ 328 58
Central Trust Co. of New York—to pay unpresented coupons	32,600 00	38,560 00	- 5,960 00
On deposit with Brooklyn Trust Co., N.Y.	2,053 09	3,194 97	- 1,141 88
	$ 156,718 03	$ 150,344 66	+$ 6,373 37
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 34,066 64	$ 25,043 99	+$ 9,022 65
Bills receivable	7,242 10	8,058 73	- 816 63
U. S. Post Office Department	38,816 91	38,800 29	+ 16 62
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	25,862 86	93,365 50	- 67,502 64
	$ 111,988 51	$ 171,268 51	-$ 59,280 00
ADVANCES TO SUNDRY AGENTS (to be accounted for)	$ 3,576 20	$ 6,333 88	-$ 2,757 68
PREPAID INSURANCE	$ 4,650 63	$ 2,266 70	+$ 2,383 93
SUPPLIES ON HAND—			
Shop supplies	$ 93,391 48	$ 125,571 51	-$ 32,180 03
Fuel	23,465 21	27,566 89	- 4,101 68
Bridge and building material	52,646 86	58,168 12	- 5,521 26
Cross ties	41,327 74	18,000 70	+ 23,327 04
Steel rails—new	12,217 92	36,423 03	- 24,205 11
Second-hand rails	18,882 17	17,668 08	+ 1,214 09
Stationery stock	5,946 10	5,875 80	+ 70 30
	$ 247,877 48	$ 289,274 13	-$ 41,396 65
Total current assets	$ 524,810 85	$ 619,487 88	-$ 94,677 03
FLOATING DEBT, or balance of deferred and current liabilities in excess of current assets	$ 730,986 68	$ 705,598 40	+$ 25,388 28
Less market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit K.	39,740 94	137,750 75	- 98,009 81
NET FLOATING DEBT, JUNE 30TH	$ 691,245 74	$ 567,847 65	+$ 123,398 09

The decrease of $98,009.81 in market value of "other available assets" in the form of stocks and bonds owned in the Treasury

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is caused by the sale in September, 1896, of the balance of the first mortgage certificates remaining in the Treasury, amounting to $140,000 (par value), and also in a small degree to the fluctuation in the market value of securities remaining in the Treasury June 30th, 1897.

There are included in the foregoing statement, under the head of "Deferred Liabilities," interest on bonds accrued to June 30th, not due until November 1st, 1897, $133,333.33, and taxes for the year 1897 accrued to June 30th, 1897, not due until 1898, $62,096.30. The net floating debt exclusive of these items of interest and taxes accrued but not due for several months, aggregating $195,429.63, would amount to $495,816.11. The amount of this net floating debt is principally covered by notes payable to the amount of $377,500 due on stated dates after July 1st, 1897, mainly during the fall, at which time the receipts greatly exceed those of any other period of the year.

EXHIBIT P.

Miscellaneous Accounts—Entire System.

June 30th, 1897.

Description.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.
Equipment replacement fund	$84,720 00	$53,905 00	$30,815 00
Donated town lot sales	5,656 00	5,301 00	355 00
Total	$90,376 00	$59,206 00	$31,170 00

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EXHIBIT Q.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1897.

The following statement, considered in connection with the foregoing financial exhibits, furnishes in a condensed form an analysis of all resources, showing also, how the same were appropriated, during the fiscal year ended June 30th, 1897:

RESOURCES.			
Cash balance July 1st, 1896			$ 51,268 21
Gross earnings from operation		$4,743,546 43	
Miscellaneous income		3,584 17	
Sale of St. L. S. W. Ry. securities—face value		140,000 00	
Gulf and Ship Island Ry. bonds, surrendered in settlement of account, par value $15,000, cost to company		1,500 00	
Decrease in current assets (exclusive of cash in hands of Treasurer)		105,876 97	
Increase of deferred liabilities		66,376 14	
Increase of miscellaneous accounts		31,170 00	5,092,053 71
			$5,143,321 92
APPROPRIATION OF RESOURCES.			
Operating expenses (including betterments)		$3,855,888 24	
Interest on bonds, taxes and all other payments charged against income		954,430 62	
Discount on St. L. S. W. Ry. securities in Treasury sold		45,887 97	
Compromise settlement of suit of Britton & Lyon, contractors, vs. St. L. A. & T. Ry. in Texas, for construction work done on Sherman and Ft. Worth branches in 1887-8		6,073 85	
Bad debts charged off:			
Gulf and Ship Island Ry. balance of account—uncollectible	$7,567 44		
Receiver, Newport News & Mississippi Valley Co.—uncollectible	201 86	7,769 30	
Increase of cost of road and equipment		10,604 04	
Equipment trust obligations paid		64,534 86	
Decrease of current liabilities		135,664 89	5,080,853 77
Cash balance June 30th, 1897			$ 62,468 15

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TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
No. of tons carried . .	1,524,709	1,487,078	37,631	2.53	—	—
No. of tons carried one mile	325,472,192	312,998,714	12,473,478	3.99	—	—
Average distance haul of one ton (miles) . .	213.47	210.48	2.99	1.42	—	—
*Total freight revenue .	$3,668,481.77	$3,685,638.68	—	—	$17,156.91	.47
*Average revenue per ton	$2.4060	$2.4784	—	—	$0.0724	2.92
*Average revenue per ton per mile	$0.0113	$0.0118	—	—	$0.0005	4.24

* Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

The results as tabulated in the foregoing statement show an increase in the number of tons carried of 37,631 or 2.53 per cent., and an increase in the number of tons carried one mile of 12,473,478 or 3.99 per cent. The average revenue per ton, however, decreased $0.0724 or 2.92 per cent., and the average revenue per ton per mile decreased $0.0005 or 4.24 per cent., which resulted in a decrease in the total freight revenue of $17,156.91 or .47 of one per cent.

The increase in the number of tons carried, as against a decrease in the total freight revenue, is mainly attributable to the heavy increased movement of grain and grain products, a class of freight which earned very light revenue on account of the keen competition between lines operating from the grain

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producing sections of the West. Rates generally were uniformly maintained throughout the fiscal year.

The average distance haul of one ton of freight during the year for which this report is made shows an increase of 2.99 miles or 1.42 per cent. over the preceding year.

Following this will be found a table showing the total tonnage, and the number of tons of each commodity transported during the fiscal year ended June 30th, 1897, compared with the preceding fiscal year. This table states clearly the general tonnage movement, showing the increase or decrease in the tonnage of each commodity, the per cent. thereof, and the relative percentage of the tonnage of each commodity to the total tonnage:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	709,664	46.54	757,873	50.96	—	—	48,209	6.36
Cotton	112,983	7.41	97,621	6.56	15,362	15.74	—	—
Cotton seed products	68,054	4.46	71,336	4.80	—	—	3,282	4.60
Grain	142,275	9.33	81,367	5.47	60,908	74.86	—	—
Flour	48,947	3.21	58,673	3.95	—	—	9,726	16.58
Other mill products	43,711	2.87	15,302	1.03	28,409	185.66	—	—
Hay	28,928	1.90	35,759	2.40	—	—	6,831	19.10
Tobacco	407	.03	400	.03	7	1.75	—	—
Vegetables	31,352	2.06	22,360	1.50	8,992	40.21	—	—
Live stock	54,988	3.61	58,147	3.91	—	—	3,159	5.43
Packing house products.	17,766	1.17	12,448	.84	5,318	42.72	—	—
Merchandise	75,953	4.98	68,125	4.58	7,828	11.49	—	—
Coal (includ'g charcoal)	36,052	2.36	52,066	3.50	—	—	16,014	30.76
Oil	13,507	.88	12,307	.83	1,200	9.75	—	—
Sugar	9,220	.60	7,015	.47	2,205	31.43	—	—
Agricultural implements	3,424	.22	3,484	.23	—	—	60	1.72
Household goods	7,296	.48	8,122	.55	—	—	826	10.17
Salt	8,220	.54	9,746	.66	—	—	1,526	15.66
Wine, liquors and beer	7,737	.51	5,917	.40	1,820	30.76	—	—
Miscellaneous	104,225	6.84	109,010	7.33	—	—	4,785	4.39
Total	1,524,709	100.00	1,487,078	100.00	132,049	—	94,418	—
Net increase					37,631	2.53	—	—

From the foregoing table it will be noted that the net increase of 37,631 tons was not due to the increase in any particular

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commodity, but represents increases in various commodities, principally cotton, grain and grain products, vegetables and merchandise, and decreases mainly in lumber, flour, hay, coal and miscellaneous freight.

Lumber furnishes the largest decrease, in number of tons carried, of any commodity transported, which was due to the extreme inactivity of the lumber market.

Following will be found a brief table, giving the number of bales of cotton transported, tonnage of same, and percentage of tonnage to total tonnage transported, and the revenue derived from the transportation of cotton, and percentage of such revenue to the total freight revenue, for the fiscal years ended June 30th, 1893, 1894, 1895, 1896, 1897:

COTTON.

Year ended June 30.	No. of bales.	No. of tons.	Per cent. of tonnage to total tonnage.	Revenue.	Per cent. of revenue to total freight revenue.
1893	331,726	84,690	05.62	$ 643,312 14	16.13
1894	400,480	101,994	07.68	744,484 37	21.28
1895	628,015	163,022	11.09	1,019,333 51	25.03
1896	375,087	97,621	06.56	597,907 80	16.22
1897	440,073	112,983	07.41	659,747 47	17.98

From this table it will be noted that in point of tonnage the cotton traffic handled over your lines during the past season was the largest in its history, except the season of 1894–5, in which was produced an exceptionally large crop. The tonnage of cotton transported during the year for which this report is made, shows an increase over the previous year of 15,362 tons or 15.74 per cent. It will be further noted, however, that the revenue derived from cotton did not increase in proportion to the tonnage of this commodity, and this disparity is explained by the fact

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that during the past year a larger portion than usual of the cotton transported moved via the Gulf routes on which your lines received a short haul.

The heavy increase in grain and other mill products is the result of the failure of the grain crop in Texas in 1896, that State being supplied largely from the western section of the country.

On account of extreme dry weather the hay crop of 1896 was a partial failure in the territory tributary to your lines, which explains the decrease in the tonnage of this commodity transported, of 6,831 tons or 19.10 per cent.

The extensive cultivation of fruit in Eastern Texas, and melons in Southeast Missouri, continues with marked success, as indicated in the increase in tonnage classified under the head of "vegetables" transported, of 8,992 tons or 40.21 per cent, and your company is making every effort to induce experienced agriculturists to locate upon the lands along your lines so admirably adapted to the raising of all kinds of fruit and vegetables.

The movement of merchandise shows an increase over the previous year of 7,828 tons or 11.49 per cent. Under this heading is included less than car load shipments of all kinds, not classified under other headings.

The decrease of 16,014 tons in coal transported is due principally to the fact that the charcoal camp located at Wells, Texas, on the Tyler Southeastern Railway, which supplied the Penitentiary at Rusk, Texas, was abandoned during the early part of the fiscal year for which this report is made.

Miscellaneous freight, which includes all car load freight not classified under other headings, decreased 4,785 tons or 4.39 per cent., and reflects the retarded movement of manufactured articles from the central and eastern markets to southwestern points.

The information shown in the table "Classification of Tonnage" on page 34, subdivided under "Tonnage originating on

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this system" and "Tonnage received from connecting roads," will be found in the following tables:

TONNAGE ORIGINATING ON THIS SYSTEM.

Commodities.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	Tons.	Per cent. of commodity total.	Tons.	Per cent. of commodity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	653,530	92.09	689,948	91.04	—	—	36,418	5.28
Cotton	104,700	92.67	90,914	93.13	13,786	15.16	—	—
Cotton seed products	57,547	84.56	66,522	93.25	—	—	8,975	13.49
Grain	43,567	30.62	53,553	65.82	—	—	9,986	18.65
Flour	7,582	15.49	8,204	13.98	—	—	622	7.58
Other mill products	20,424	46.73	9,294	60.74	11,130	119.75	—	—
Hay	15,264	52.77	23,237	64.98	—	—	7,973	34.31
Tobacco	1	.25	13	3.25	—	—	12	92.31
Vegetables	9,516	30.35	11,791	52.73	—	—	2,275	19.29
Live stock	37,219	67.69	42,364	72.86	—	—	5,145	12.14
Packing house products	865	4.87	697	5.60	168	24.10	—	—
Merchandise	34,114	44.91	30,783	45.19	3,331	10.82	—	—
Coal (includ'g charcoal)	12,480	34.62	21,508	41.31	—	—	9,028	41.98
Oil	2,198	16.27	768	6.24	1,430	186.20	—	—
Sugar	732	7.94	327	4.66	405	123.85	—	—
Agricultural implements	436	12.73	376	10.79	60	15.96	—	—
Household goods	1,974	27.06	2,560	31.52	—	—	586	22.89
Salt	140	1.70	926	9.50	—	—	786	84.88
Wine, liquors and beer	576	7.44	447	7.55	129	28.86	—	—
Miscellaneous	39,685	38.08	50,025	45.89	—	—	10,340	20.67
Total	1,042,550	68.38	1,104,257	74.26	—	—	61,707	5.59

TONNAGE RECEIVED FROM CONNECTING ROADS.

Commodities.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	Tons.	Per cent. of commodity total.	Tons.	Per cent. of commodity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	56,134	7.91	67,925	8.96	—	—	11,791	17.36
Cotton	8,283	7.33	6,707	6.87	1,576	23.50	—	—
Cotton seed products	10,507	15.44	4,814	6.75	5,693	118.26	—	—
Grain	98,708	69.38	27,814	34.18	70,894	254.89	—	—
Flour	41,365	84.51	50,469	86.02	—	—	9,104	18.04
Other mill products	23,287	53.27	6,008	39.26	17,279	287.60	—	—
Hay	13,664	47.23	12,522	35.02	1,142	9.12	—	—
Tobacco	406	99.75	387	96.75	19	4.91	—	—
Vegetables	21,836	69.65	10,569	47.27	11,267	106.60	—	—
Live stock	17,769	32.31	15,783	27.14	1,986	12.58	—	—
Packing house products	16,901	95.13	11,751	94.40	5,150	43.83	—	—
Merchandise	41,839	55.09	37,342	54.81	4,497	12.04	—	—
Coal (includ'g charcoal)	23,572	65.38	30,558	58.69	—	—	6,986	22.86
Oil	11,309	83.73	11,539	93.76	—	—	230	1.99
Sugar	8,488	92.06	6,688	95.34	1,800	26.91	—	—
Agricultural implements	2,988	87.27	3,108	89.21	—	—	120	3.86
Household goods	5,322	72.94	5,562	68.48	—	—	240	4.31
Salt	8,080	98.30	8,820	90.50	—	—	740	8.39
Wine, liquors and beer	7,161	92.56	5,470	92.45	1,691	30.91	—	—
Miscellaneous	64,540	61.92	58,985	54.11	5,555	9.42	—	—
Total	482,159	31.62	382,821	25.74	99,338	25.95	—	—

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From the second of these tables it will be noted that the tonnage received from connecting roads for the fiscal year forms 31.62 per cent. of the total tonnage transported as against 25.74 per cent. for the preceding fiscal year.

New Industries.

A number of new industries were located on your lines during the fiscal year ended June 30th, 1897, the most important of which are the following:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

Bird's Point, Mo. (M. P. 2)—Slack barrel stave factory erected.

Fleetwood, Mo. (M. P. I-11)—Saw mill erected.

Dexter, Mo.—Handle factory erected.

Campbell, Mo.—Large brick yard erected.

Jonesboro, Ark.—Wagon stock mill erected.

Markle, Ark. (M. P. 177.6)—Wagon stock mill erected.

Rison, Ark.—Saw mill, with capacity of eight or ten cars per month, erected.

Magnesia Springs, Ark. (M. P. 365.2)—Saw mill erected.

Benton, La.—Shingle mill, with capacity of one hundred thousand shingles per week, erected.

Shreveport, La.—Foundry and machine shops, working about twenty men, established.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

Winfield, Tex.—New pottery erected.

Josephine, Tex.—New 210 saw cotton gin erected.

Nevada, Tex.—New 400 saw cotton gin erected.

Plano, Tex.—Grain elevator of seventy-five thousand bushels capacity erected.

Note.—In this connection it is appropriate to state that in the grain territory tributary to your lines there is a distinct need for elevators or store-houses for grain.

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Big Cypress, Tex. (M. P. 485.7)—A good article of lignite coal has been discovered at this point, which can be mined very cheaply.

Corsicana, Tex.—The discovery of oil at this point, referred to in the preceding annual report, has received satisfactory development, eleven flowing wells now being used, and four more being drilled.

Boone's, Tex. (M. P. 702.7)—A rock quarry has been opened up, producing a good quality of building stone.

Frost, Tex.—Cotton seed oil mill erected.

TYLER SOUTHEASTERN RAILWAY COMPANY.

Forrest, Tex. (M. P. E-613.6)—Saw mill, with capacity of twenty-five thousand feet per day, erected.

Passenger Traffic.

Passengers Carried and Revenue—Entire System.

Item.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	803,644	935,555	—	—	131,911	14.10
Number of passengers carried one mile	33,214,295	40,159,897	—	—	6,945,602	17.29
Average distance one passenger carried (miles)	41.33	42.93	—	—	1.60	3.73
*Total passenger revenue . . .	$785,018.07	$944,146.62	—	—	$159,128.55	16.85
*Average revenue per passenger	$0.9768	$1.0092	—	—	$0.0324	3.21
*Average revenue per passenger per mile	$0.0236	$0.0235	$0.0001	.43	—	—

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

As confirming the remarks heretofore made respecting the diminished passenger earnings for the current fiscal year, the foregoing table will be found interesting.

The number of passengers carried decreased 131,911, or 14.10 per cent., and the number of passengers carried one mile

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decreased 6,945,602, or 17.29 per cent., and the total passenger revenue decreased $159,128.55, or 16.85 per cent. The average distance one passenger carried decreased 1.60 miles, or 3.73 per cent., the average revenue per passenger decreased $0.0324, or 3.21 per cent., while the average revenue per passenger per mile increased $0.0001, or .43 of one per cent., indicating that passenger rates have been well maintained.

Following this will be found an analytical table showing the general passenger movement for the fiscal year ended June 30th, 1897, compared with the preceding fiscal year:

CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—ENTIRE SYSTEM.

Item.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
Passengers carried—						
Local tickets	623,257	727,112	—	—	103.855	14.28
Cash fares	113,950	128,978	—	—	15.028	11.65
Home coupon tickets	32,730	37,776	—	—	5.046	13.36
Foreign coupon tickets	33,707	41,689	—	—	7.982	19.15
Total	803,644	935,555	—	—	131.911	14.10
Passengers carried one mile—						
Local tickets	18,539,333	21,228,234	—	—	2,688.901	12.67
Cash fares	1,440,882	1,758,885	—	—	318.003	18.08
Home coupon tickets	5,758,089	7,294,308	—	—	1,536.219	21.06
Foreign coupon tickets	7,475,991	9,878,470	—	—	2,402.479	24.32
Total	33,214,295	40,159,897	—	—	6,945.602	17.29
Passenger revenue—						
Local tickets	$478,401 15	$564,577 59	—	—	$86,176 44	15.26
Cash fares	44,340 86	53,445 59	—	—	9,104 73	17.04
Home coupon tickets	113,042 99	132,227 65	—	—	19,184 66	14.51
Foreign coupon tickets	149,233 07	193,895 79	—	—	44,662 72	23.03
Total	$785,018 07	$944,146 62	—	—	159,128 55	16.85
Revenue per passenger—						
Local tickets	$0.7676	$0.7765	—	—	$0.0089	1.15
Cash fares	0.3891	0.4144	—	—	0.0253	6.11
Home coupon tickets	3.4538	3.5003	—	—	0.0465	1.33
Foreign coupon tickets	4.4274	4.6510	—	—	0.2236	4.81
Total	$0.9768	$1.0092	—	—	$0.0324	3.21
Revenue per passenger per mile—						
Local tickets	$0.0258	$0.0266	—	—	$0.0008	3.01
Cash fares	0.0308	0.0304	$0.0004	1.32	—	—
Home coupon tickets	0.0196	0.0181	0.0015	8.29	—	—
Foreign coupon tickets	0.0200	0.0196	0.0004	2.04	—	—
Total	$0.0236	$0.0235	$0.0001	.43	—	—

NOTE.—The foregoing results are based on actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

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MAIL TRAFFIC.

Mail revenue fiscal year ended June 30th, 1897	$146,231 84
Mail revenue fiscal year ended June 30th, 1896	143,208 89
Increase.	$ 3,022 95
Per cent. of increase.	2.11

The increase in mail revenue is caused principally by the increased compensation of $10,600 per annum for the line of vestibuled railway post office cars, which was established July 1st, 1895. The compensation for such service, as stated in the Fifth Annual Report, page 41, did not commence until January 1st, 1896, six months after the establishment of the line, according to the United States Post Office Department regulations, and, therefore, only one-half of the annual revenue on account of this line was credited to mail earnings during the year ended June 30th, 1896.

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1897-96.

FREIGHT.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
Total No. of freight cars owned and leased (all classes) at close of the year.	4,353	4,433	—	—	80	1.80
No. of miles run by all freight trains (including mixed trains)	2,036,992	1,987,431	49,561	2.49	—	—
No. of miles run by freight cars on this line—						
Loaded	29,029,185	28,720,774	308,411	1.07	—	—
Empty	11,374,066	10,461,446	912,620	8.72	—	—
All	40,403,251	39,182,220	1,221,031	3.12	—	—
Home	19,277,984	18,982,235	295,749	1.56	—	—
Foreign	21,125,267	20,199,985	925,282	4.58	—	—
No. of miles run by home cars on foreign lines	11,707,875	11,541,435	166,440	1.44	—	—
Percentage of empty car mileage to total car mileage	28.15	26.70	1.45	5.43	—	—
Average No. of cars in each freight train—						
Loaded	14.25	14.46	—	—	.21	1.45
Empty	5.58	5.26	.32	6.08	—	—
All	19.83	19.72	.11	.56	—	—
Average load—						
Per loaded car (tons)	11.21	10.90	.31	2.84	—	—
Per train (tons)	159.73	157.49	2.24	1.42	—	—
Average No. of miles run per car per day—						
On this line—Home	24	24	—	—	—	—
On this line—Foreign	26	25	1	4.00	—	—
On foreign lines—Home	20	19	1	5.26	—	—
PASSENGER.						
Total No. of passenger cars owned (all classes) at close of the year.	99	96	3	3.12	—	—
No. of miles run by pass. trains (not including mixed trains)	1,465,147	1,440,748	24,399	1.69	—	—
No. of miles run by passenger cars on this line—						
Home	4,964,136	4,840,535	123,601	2.55	—	—
Foreign	1,216,181	1,228,375	—	—	12,194	.99
All	6,180,317	6,068,910	111,407	1.84	—	—
Average No. of cars in each passenger train	4.01	3.99	.02	.50	—	—
Average No. of miles run per car per day—						
Home	156	157	—	—	1	.64
Foreign	145	177	—	—	32	18.08

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Freight.

It was found necessary during the current fiscal year to continue the policy of running loaded foreign cars through to destination without transferring the contents at junction points, in order to compete with the time in transit made by rival lines, thus causing a large amount of empty car mileage on return trips, which will account, to a great extent, for the increase in the empty car mileage.

During the spring of 1897 the overflow of the Mississippi River closed the Cairo route for nearly a month and made it necessary to divert a large number of loaded home cars via the Delta route. On account of connecting lines not being provided with proper facilities for handling this sudden diversion of traffic, a blockade was caused, which interfered in a very large degree with the economical handling of equipment. Under the circumstances, it was found necessary to allow loaded home cars to go off the line which otherwise would have been transferred at junction stations and to supply their places with foreign cars, thus causing a large increase in foreign car mileage.

Aside from these conditions, which had the effect of increasing the empty car mileage and foreign car mileage, there are other comparisons in the preceding table which are very gratifying. The total tonnage transported shows an increase of 2.53 per cent., while the freight train mileage shows an increase of 2.49 per cent., and the loaded car mileage an increase of only 1.07 per cent. The fact that the per cent. of increase in loaded car mileage is less than the per cent. of increase in total tonnage transported is due to the increased lading of cars, which is evidenced by the increase of 2.84 per cent. in the average load per loaded car.

The mileage made by home cars on this line increased 1.56 per cent., and the mileage made by home cars on foreign lines increased 1.44 per cent.; the total increase in mileage made by

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the cars of your company on home and foreign lines during the fiscal year ended June 30th, 1897, being 462,189 miles, which shows a healthy increase in the service obtained from home cars.

The following table shows the amount earned by St. Louis Southwestern Railway System freight cars on foreign roads, and the amount paid for mileage of foreign cars on this line, during the year ended June 30th, 1897, compared with the year ended June 30th, 1896:

AMOUNTS PAID AND RECEIVED FOR MILEAGE OF FREIGHT CARS.

DESCRIPTION.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.
Amount earned by foreign freight cars on St. L. S. W. Ry.—Entire system	$136,719 47	$129,290 18	$ 7,429 29	5.75
Amount earned by St. L. S. W. Ry. System freight cars on foreign roads. . . .	71,033 97	70,249 47	784 50	1.12
Net balance due foreign roads	$65,685 50	$59,040 71	$ 6,644 79	—

The amount earned by foreign freight cars on this line shows an increase of $7,429.29 or 5.75 per cent., which is due almost entirely to the increase in the mileage of refrigerator cars belonging to private car lines. A large number of these refrigerator cars reached this line at Northern junction stations loaded for Texas points, and of course ran through without transfer. This increase in amounts paid for use of refrigerator cars reflects a decided increase in the transportation over this line in the class of freight requiring refrigerator cars.

The amount earned by St. Louis Southwestern Railway System cars on foreign lines during the current fiscal year, shows an increase of $784.50 or 1.12 per cent. over the preceding fiscal year, which is in keeping with the increase of 1.44 per cent. in the mileage made by home cars on foreign lines.

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PASSENGER.

While there has been a decrease in passenger earnings, and in total number of passengers carried, it has been necessary to run practically the same number of passenger trains during the current fiscal year as during the preceding fiscal year.

The increase in mileage made by home passenger cars, and the decrease in mileage made by foreign passenger cars, is due to the fact that the through sleeping car service between Memphis and Waco was discontinued in trains Nos. 3 and 4, the sleepers attached to those trains running between Memphis and Texarkana. Between Texarkana and Waco these trains have carried parlor cars in lieu of the sleepers.

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MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1897.

LOCATION.	75-lb. Steel. Track miles.	56-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.				
Main line	23.86	394.14	—	418.00
New Madrid branch	—	—	5.70	5.70
Delta branch	—	51.40	—	51.40
Little Rock branch	—	41.70	—	41.70
Magnolia branch	—	.02	6.38	6.40
Shreveport branch	—	59.50	—	59.50
Total	23.86	546.76	12.08	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Main line	—	268.08	36.52	304.60
Sherman branch	—	109.90	—	109.90
Ft. Worth branch	—	97.20	—	97.20
Hillsboro branch	—	40.00	—	40.00
Total	—	515.18	36.52	551.70
TYLER SOUTHEASTERN RY. CO.—				
Main line	—	.17	88.43	88.60
ENTIRE SYSTEM, JUNE 30th, 1897	23.86	1,062.11	137.03	1,223.00
ENTIRE SYSTEM, JUNE 30th, 1896	13.31	1,063.79	145.90	1,223.00
Increase, this year	10.55	—	—	—
Decrease, this year	—	1.68	8.87	—

The following is a summary of the new steel rail weighing 75 pounds to the yard (the standard heretofore adopted) purchased and placed in main track and leads to side tracks to June 30th, 1897, and the amount remaining on hand at that date:

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NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . .	1010 $\frac{1900}{2240}$	8.577
During fiscal year ended June 30th, 1896 . .	2120 $\frac{550}{2240}$	17.990
During fiscal year ended June 30th, 1897 . .	301 $\frac{1710}{2240}$	2.559
Total purchased	3432 $\frac{1520}{2240}$	29.126
PLACED IN TRACK—		
During fiscal year ended June 30th, 1895 . .	522 $\frac{1020}{2240}$	4.435
During fiscal year ended June 30th, 1896 . .	1069 $\frac{1815}{2240}$	9.077
During fiscal year ended June 30th, 1897 . .	1272 $\frac{1845}{2240}$	10.800
Total placed in track	2865 $\frac{800}{2240}$	24.312
Balance on hand June 30th, 1897	567 $\frac{720}{2240}$	4.814

From the foregoing table it will be seen that 10.8 miles of standard 75-pound rail were laid during the fiscal year ended June 30th, 1897, making a total of 24.312 miles of 75-pound rail in the track at the close of the fiscal year. This rail is laid between mile posts 297 and 299, and between mile posts 302 and 324, on the main line in Arkansas.

Just before the close of the fiscal year ended June 30th, 1897, orders were placed for 2,000 tons more of this 75-pound rail, which will also be put into the main line in Arkansas between mile posts 274 and 297. This rail was not delivered until some time after the close of the fiscal year. This 2,000 tons of rail will lay about 17 miles of track, and this together with the 4.814 miles of 75-pound rail on hand June 30th, 1897, will make a total of about 46 miles of this class of rail in track when it has all been laid.

The greater portion of the 56-pound rail replaced by the 75-pound rail laid during the current fiscal year was used to replace 35-pound rail on the main line in Texas, south of Waco, as will be seen by the decrease of 8.87 miles of 35-pound steel shown in table headed "Character of Rail in Main Track June 30th, 1897," page 46.

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The value of the new 75-pound rail put in track less the value of the old 56-pound rail taken out of track, and the cost of labor changing during the current fiscal year, were charged to operating expenses, maintenance of way, and were not included in the statement of betterments and extraordinary expenses on page 19, although the result has been a great improvement in the track.

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1897.

DESCRIPTION.	Ballasted this year. Track miles.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	3.84	—	3.84
Gravel and sand	17.83	214.04	—	214.04
Cinders	.67	19.32	—	19.32
Natural soil and length of bridges and trestles	—	—	345.50	345.50
Total	18.50	237.20	345.50	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	1.11	89.80	—	89.80
Gravel and sand	4.65	133.32	—	133.32
Cinders	.62	25.58	—	25.58
Natural soil and length of bridges and trestles	—	—	303.00	303.00
Total	6.38	248.70	303.00	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	—	.06	—	.06
Gravel and sand	—	—	—	—
Cinders	—	.61	—	.61
Natural soil and length of bridges and trestles	—	—	87.93	87.93
Total	—	.67	87.93	88.60
ENTIRE SYSTEM—				
Rock	1.11	93.70	—	93.70
Gravel and sand	22.48	347.36	—	347.36
Cinders	1.29	45.51	—	45.51
Natural soil and length of bridges and trestles	—	—	736.43	736.43
Total	24.88	486.57	736.43	1,223.00

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In the foregoing table the figures in the column headed "Ballasted this year. Track miles," represent absolutely new ballast placed in track not heretofore ballasted. The work of repairing and reballasting track which had been previously ballasted is not included therein, although much work of this character has been done.

FENCING ON RIGHT OF WAY, JUNE 30TH, 1897.

LOCATION.	Linear miles of fence.	
	Built this year.	Total June 30, 1897.
St. Louis Southwestern Ry. Co.	7.90	307.96
St. Louis Southwestern Ry. Co. of Texas . .	65.41	319.12
Tyler Southeastern Ry. Co.	—	.45
Entire system	73.31	627.53

During the fiscal year ended June 30th, 1897, no new contracts were let for fencing the right of way.

The 7.90 miles of fence constructed on the line of the St. Louis Southwestern Railway were built by company forces at a cost of $1,951.52, or an average of $247.03 per linear mile. The 65.41 miles of fence constructed on the line of the St. Louis Southwestern Railway of Texas cost $10,342.03, or an average of $158.11 per linear mile. A portion of this fence was built under a contract which was placed during the preceding fiscal year, and completed during the current fiscal year, the remainder being built by company forces.

As stated in the Fifth Annual Report, the difference in the average cost per linear mile of fence on the line of the St. Louis Southwestern Railway as compared with the average cost per mile on the line of the St. Louis Southwestern Railway of Texas is accounted for by the fact that the standard on the St. Louis Southwestern Railway consists of panels of eight feet, seven barbed wires and a board next to top wire, while on the St. Louis

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Southwestern Railway of Texas the standard consists of panels of sixteen feet, using four strands of barbed wire.

The importance of continuing the work of fencing the track until the entire line has been fenced cannot be too strongly urged. The reduction in the amount paid for claims for stock killed and injured by trains, which would result from fencing the line, would make the expenditure for that purpose a very profitable investment.

The table on the following page forms a comparative statement of the most important work of maintenance and improvement in the road department for the entire system as well as for each company separately:

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Comparative Statement of Maintenance and Improvements in Road Department, During Year Ended June 30, 1897–1896.

Character of Work.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. E. Ry. Co.		Entire System.	
	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.
Miles of track ditched by plow	44.0	30.6	18.9	—	—	—	62.9	30.6
Miles of track ballasted	18.5	14.4	5.5	1.5	—	—	24.0	15.9
Miles of track laid with 75-lb. steel	10.8	9.3	—	—	—	—	10.8	9.3
Miles of track relaid with 56-lb. steel	4.3	—	10.1	9.4	.1	.1	14.5	9.5
Miles of track relaid with 35-lb. steel	2.1	—	1.7	—	1.0	—	4.8	—
Miles of new saw mill spurs, private and side tracks	6.1	4.0	4.4	5.2	.5	.7	11.0	9.9
Miles of old side tracks taken up	3.3	2.7	1.2	1.3	.3	1.0	4.8	5.0
Number of cross-ties placed in track	448,520	282,194	280,698	279,725	43,586	55,373	772,804	617,292
Sets of switch ties placed in track	101	118	81	112	7	22	189	252

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From the foregoing table it will be noted that the track has not only been maintained during the current fiscal year, but has been improved. Special attention is called to the increase of 155,312 cross ties put in track during the current fiscal year on the entire system as compared with the preceding fiscal year. Besides the work of maintenance and improvements included in the foregoing table other important work has been performed, notably the following:

The gradual improvement in the various districts subject to overflow has been continued wherever possible, and many of such places have been permanently improved with satisfactory results. From March 18th to April 11th, 1897, the track was submerged by overflow of the Mississippi river for a distance of six miles from Bird's Point South, and by back water up St. Johns bayou between mile posts 21 and 28, which greatly interfered with traffic on that portion of the line. The flood culminated on March 25th, the gauge at Cairo registering 51.6 feet above low water mark, the highest point on record since 1884. Since the water receded the track that was submerged has been repaired and strengthened including the putting in of 2 miles 805 feet of rock ballast, making the physical condition of the main track as good now as it was prior to the overflow. Plans for improvement of the grade line and adjustment of the water-ways in St. Johns bayou have been perfected, and work will be commenced during the ensuing year. When these improvements have been completed, trains may be operated across this bottom when the river stands at fifty feet on the Cairo gauge.

General improvements in grade and alignment have been made during the current fiscal year, and the work of widening narrow gauge embankments and regulating the drainage has been continued except during the extreme wet season.

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Bridge and Building Department.

The work of maintenance and renewals of bridges, trestles and other structures has been steadily carried on during the fiscal year ended June 30th, 1897. The following table furnishes the location and description of all permanent spans on June 30th, 1897:

Bridges—Statement of Permanent Spans, June 30th, 1897.

Location.	Mile post.†	No. of spans.	Length, each.	Total length.	Kind of structure.	Class.*	Year built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river . .	70	1	100	100	Plate girder draw .	A	1892
White river	214.6	1	355	—	Pin connected draw .	A	1892
" "	214.6	1	152	—	Pin connected truss .	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river . . .	261	1	65	—	Plate girder	A	1891
" " . . .	261	1	428	—	Pin connected draw .	A	1891
" " . . .	261	5	200	—	Pin connected truss .	A	1888
" " . . .	261	1	100	1,593	Pin connected truss .	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss .	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river . . .	335.9	1	290	290	Pin connected draw .	A	1891
Red river	396.8	1	300	—	Pin connected draw .	C	1883
"	396.8	1	200	—	Pin connected truss .	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river . . .	I 3	1	100	100	Pin connected truss .	A	1890
Whitewater river . .	I 8.2	1	140	140	Pin connected truss .	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss .	A	1893
Total	—	23	—	3,839	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss .	X	1896
Trinity river	599.3	1	200	200	Pin connected truss .	A	1890
Tehuacana river . .	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss .	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river .	687.5	1	150	150	Pin connected truss .	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss .	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss .	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss .	B	1888
Choctaw creek . . .	D-583.7	1	125	125	Pin connected truss .	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek . . .	C-584.5	1	110	110	Pin connected truss .	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss .	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder . . .	A	1890
White Rock creek . .	C-596.1	1	110	110	Pin connected truss .	X	1894
Richland creek . . .	F-647.7	1	125	125	Pin connected truss .	A	1890
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,196	—	—	—

†Note.—Location of mile posts: without prefix, Main line; I, Delta branch; F, Hillsboro branch; D, Sherman branch; C, Fort Worth branch.

*Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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The two combination spans forming the approaches to the draw span at White river on the main line in Arkansas (mile post 214.6), and the steel span across Sabine river on the main line in Texas (mile post 526), mentioned in the Fifth Annual Report as in process of construction, were both completed during the current fiscal year, the aggregate cost of each being respectively $11,980.83 and $8,475.46.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1897.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	28,025	5.31
Jonesboro section	33,505	6.34
Pine Bluff section	47,613	9.02
Delta branch	6,370	1.21
Little Rock branch	4,106	.78
Magnolia branch	1,167	.22
Shreveport branch	5,022	.95
Total	127,134	24.08
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	36,114	6.84
Tyler section	29,900	5.66
Waco section	4,370	.83
Ft. Worth branch	18,933	3.59
Sherman branch	19,845	3.76
Hillsboro branch	4,628	.87
Total	113,790	21.55
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,463	2.55
ENTIRE SYSTEM, June 30th, 1897	254,387	48.18
ENTIRE SYSTEM, June 30th, 1896	256,787	48.64
Decrease, this year	2,400	.46

The work of maintenance of trestles has been well kept up during the current fiscal year. The policy of filling up unnecessary trestles and substituting culverts for them has been continued, which will account for the decrease of 2,400 linear feet or .46 of a mile of trestle bridging during the current fiscal year.

The following table furnishes a summary, by roads, of the work of renewals and improvements (embracing completed structures only) in the bridge and building department for the fiscal year ended June 30th, 1897:

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RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1897.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
White river span and girder			$11,980 83
Arkansas river protection, M. P. G-295 near Little Rock, Ark.			11,773 60
New wooden trestles	18,532	Linear feet	80,689 61
Culverts	246	Linear feet	595 54
Double tile drains	668	Linear feet	2,592 53
Single tile drains	327½	Linear feet	697 91
Wire fence	7	Miles, 4787 ft. of fence	1,930 31
Farm gates	7		21 21
Fence around section house at Wabbaseca, Ark.			68 12
Station platforms (gravel)	30,080	Square feet	711 48
Station platforms (wood)	2,540	Square feet	260 63
Cotton platforms (wood) three	3,830	Square feet	467 69
Gravel sidewalk	198	Linear feet	55 52
Station buildings	3		690 45
Station buildings (extensions)	2		814 43
Water closets	10		149 53
Station coal bins	4		131 40
Stock pens	1		115 28
Station buildings (general repairs)	2		1,368 20
Stock loading chutes	1		65 97
Cattle guards	40		1,261 09
Car shop roof	1		1,161 33
Engine house for water station	1		31 40
Tool house	1		73 44
Store room	1		128 10
Coaling station (repairs)	1		401 27
Water tank	1		1,013 61
Water station coal bins	3		217 74
Wells	4		5,631 45
Section house and two bunk houses			515 37
Crossings, Pine Bluff streets			326 53
New water system at Pine Bluff, Ark.			8,989 79
Derrick for pile driver	1		179 88
Repairs to buildings, fence, incline, trestles, bridges, etc., and clearing drifts account washouts			1,421 27
Mail cranes	3		48 81
Total, fiscal year ended June 30th, 1897			$136,581 32
Total, fiscal year ended June 30th, 1896			146,753 71
Decrease this year			$10,172 39

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RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
Sabine river span	152	Linear feet	$ 8,475 46
New wooden trestles	11,610	Linear feet	47,981 84
Culverts	151	Linear feet	158 17
Double tile drain	542½	Linear feet	1,987 78
Single tile drain	683	Linear feet	1,971 57
Wire fence	65	Miles, 2,163 ft. of fence	9,183 07
Farm gates	203		1,070 18
Section house fence	2,555	Feet of fence	151 26
New fence around Tom Bean pond			88 78
Station platforms (wood)	6,650	Square feet	459 11
Station platforms (cinder)	22,106	Square feet	421 91
Station platforms (gravel)	3,880	Square feet	62 17
Station platform railing	130	Linear feet	47 00
Cotton platforms (five)	11,520	Square feet	648 38
Cotton platform (rebuilding)	1		585 61
Coal platform	7,548	Square feet	689 37
Cattle guards	115		2,944 50
Stock pens	7		1,032 02
Stock loading chutes	1		55 77
Station buildings	1		134 94
Overhead bridge	1		96 24
Water closets	4		53 13
Round house pits	10		2,450 30
Cinder pits	2		379 48
Turn table	1		352 95
Sand house	1		11 95
Oil house	1		25 36
Sand bin	1		37 55
Washout pit	1		45 83
Warning signs	2		24 97
Water stations, tank and tank frames	1		1,091 06
Wells	3		450 03
Water station coal bins	1		92 25
Pump houses	2		124 74
Dam at Plano, Tex			4,579 35
Sewerage at Tyler, Tex.	1,401	Linear feet	826 27
Cinder pit drainage at Texarkana	350	Linear feet	126 13
Mail cranes	1		16 37
Water car tubs	8		276 35
Total, fiscal year ended June 30th, 1897			$89,209 20
Total, fiscal year ended June 30th, 1896			108,681 74
Decrease this year			$ 19,472 54

TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	560	Linear feet	$ 2,198 17
Culverts	65½	Linear feet	137 94
Cotton platforms (three)	6,080	Square feet	370 92
Station building	1		338 40
Cattle guards	3		102 80
Stock pens extended	3		373 58
Stock pens	1		145 66
Farm gates	2		8 80
Well house	1		7 64
Total, fiscal year ended June 30th, 1897			$ 3,683 91
Total, fiscal year ended June 30th, 1896			3,573 61
Increase this year			$ 110 30

ENTIRE SYSTEM.	
Total, fiscal year ended June 30th, 1897	$229,474 43
Total, fiscal year ended June 30th, 1896	259,009 06
Decrease this year	$ 29,534 63

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The information contained in the foregoing tables of amounts expended for renewals and improvements in the bridge and building department during the year ended June 30th, 1897, demonstrates that the class of structures included therein have not only been fully maintained but have been substantially improved during the current fiscal year.

As mentioned in the Fifth Annual Report, page 62, a plan of mattress and rock revetment protection work was perfected to prevent the caving of the bank of the Arkansas river near mile post G–295, about four miles below Little Rock, Ark., on the Little Rock branch. This work has been completed during the current fiscal year and has proven entirely successful, all erosion and caving having ceased. The total cost of this work was $11,773.60.

The policy of replacing plank station platforms with gravel and cinders has been continued during the current fiscal year, a total of 30,080 square feet of gravel platforms having been constructed on the St. Louis Southwestern R'y and 3,880 square feet of gravel platforms and 22,106 square feet of cinder platforms on the St. Louis Southwestern R'y of Texas.

The new water service system at the company shops at Pine Bluff, Ark., mentioned in the Fifth Annual Report, has been completed during the current fiscal year. A high water tank has been erected to give a regular service pressure over the entire yard, the water being lifted from the artesian well into the tank by the Air Lift System, and every building in the yard can be protected from fire by three fire streams throwing 249 gallons per minute each through a fire hose nozzle 1⅛ inches in diameter, with a pressure of 125 pounds per square inch at the pump.

A dam across Spring creek at Plano, Texas, has also been constructed at a cost of $4,579.35, which has a capacity of 5,000,000 gallons. This is a valuable addition to the water supply on the Ft. Worth branch, which has heretofore been inadequate.

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Engineering Department.

During the fiscal year valuable additions have been made to the permanent records of this department, in the shape of drawings and plans of various kinds, which will enable your company to commence the improvements contemplated thereby on short notice.

IMPORTANT ENGINEERING WORK PERFORMED.

The following engineering work has been performed during the current fiscal year, in addition to that mentioned elsewhere in this report in connection with improvements and maintenance of the road and bridge and building departments:

St. Louis Southwestern Railway Company.

SECTION.	CHARACTER OF WORK PERFORMED.
Jonesboro	Arkansas River mile post 261, main line, near Rob Roy, Arkansas: The protection work completed on the South bank during the preceding fiscal year has held that bank and the river bottom intact and has proven entirely satisfactory, but owing to the scouring of the North bank and the alteration of the sand bars it has become necessary to also protect the North bank. Arrangements have been made to mattress and revet the North shore to protect the approach to the bridge, and the work will be performed during the ensuing fiscal year.
Pine Bluff	New steel: Corrected grade lines have been established, embankments widened, and the road bed otherwise prepared for laying new 75-pound steel rail between mile post 274 and mile post 297. As stated elsewhere in this report, 2,000 tons of new 75-pound steel rail have been received since the close of the current fiscal year, which, with the amount remaining on hand at the close of the fiscal year, will be sufficient to lay the track between the mile posts mentioned herein.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK PERFORMED.
FORT WORTH	Joint Union Depot with Texas Midland Railroad at Commerce, Texas: Plans for a new joint union depot at Commerce, Texas, including the necessary trackage facilities, were prepared and approved. These plans as designed permit the trains of your company on the Fort Worth branch and Sherman branch to stand on two sides of the depot, and the trains of the Texas Midland Railroad to stand on the third side at the same time without interfering with each other, and provide equal conveniences and facilities for each.
TYLER	New Union Passenger Depot at Corsicana, Texas: Plans for a new joint passenger depot with the Houston & Texas Central Railroad at Corsicana, Texas, were prepared and approved, the estimated cost of the building to be $10,000, which will be borne jointly by both companies. The contract for the construction of this building will be let, and the work will be performed during the ensuing fiscal year. Extension of freight depot at Corsicana, Texas: Plans for an extension of the present freight depot at Corsicana, Texas, which is constructed of wood, have been prepared, but owing to the building being within the fire limits of the city the construction cannot be commenced without special permission of the city authorities, which it is hoped will soon be given.

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MOTIVE POWER AND CAR DEPARTMENT.

Complete information showing your company's equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year compared with the preceding fiscal year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On hand June 30, 1896.	Changes during year.						On hand June 30, 1897.
		Purchased.	Built and rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
LOCOMOTIVES—								
Standard gauge	133	—	—	—	—	—	1	134
Narrow gauge	4	—	—	—	1	1	—	2
Total	137	—	—	—	1	1	1	136
PASSENGER CARS—								
Official . . . . . Standard gauge	4	—	—	—	—	—	—	4
Chair . . . . . " "	9	—	—	—	—	—	—	9
Coaches . . . . . " "	52	—	—	—	—	—	—	52
Combination . . . . . " "	3	—	—	—	—	—	—	3
Baggage and exp. . " "	6	—	2	—	—	—	—	8
Mail and express . . " "	18	—	2	1	—	—	—	19
Mail . . . . . " "	4	—	—	—	—	—	—	4
Total	96	—	4	1	—	—	—	99
FREIGHT CARS—								
Refrigerator . . . . . Standard gauge	25	—	—	—	—	—	—	25
Furniture . . . . . " "	124	—	2	1	—	—	—	125
Caboose . . . . . " "	72	—	—	—	—	—	—	72
Box . . . . . " "	2,559	—	12	33	—	—	—	2,538
Box . . . . . Narrow "	12	—	—	12	—	—	—	—
Stock . . . . . Standard "	308	—	4	18	—	—	1	295
Stock . . . . . Narrow "	1	—	—	—	—	1	—	—
Flat . . . . . Standard "	782	—	3	25	—	12	25	773
Flat . . . . . Narrow "	29	—	—	—	4	25	—	—
Coal . . . . . Standard "	516	—	—	15	—	—	—	501
Cinder cars . . . . . " "	—	—	—	—	—	—	11	11
Derricks . . . . . " "	2	—	3	—	—	—	—	5
Steam shovels . . . " "	2	—	—	—	—	—	—	2
Ditching plow . . . " "	1	—	—	—	—	—	—	1
Plow cars . . . . . " "	—	—	—	—	—	—	1	1
Pile driver cars . . . " "	—	—	4	—	—	—	—	4
Total	4,433	—	28	104	4	38	38	4,353

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Statement of Additional Equipment Built and Equipment Rebuilt at Company Shops.

Year Ended June 30th, 1897.

Class of Equipment.	Additional equipment built, charged to equipment account (New).		*Equipment rebuilt to replace cars wrecked and destroyed and condemned equipment put in service.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.
Baggage cars	—	—	2	$ 4,300 76	2	$ 4,300 76
Mail and express cars	—	—	2	5,736 90	2	5,736 90
Furniture cars	—	—	2	1,336 04	2	1,336 04
Box cars	—	—	12	6,501 22	12	6,501 22
Stock cars	—	—	4	1,722 76	4	1,722 76
Flat cars	—	—	3	992 31	3	992 31
Derricks	—	—	3	—	3	—
Pile driver cars	1	$ 475 06	3	—	4	475 06
Total	1	$ 475 06	31	$20,589 99	32	$21,065 05

* The cost of equipment rebuilt to the extent of the value of same at time of destruction, according to M. C. B. rules, has been charged to "Equipment Replacement Fund," as such value was credited to that fund for rebuilding purposes when the cars were destroyed.

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running repairs	1,304	$63,986 59	1,285	$64,234 13	19	—	—	$ 247 54
Light repairs	125	16,514 77	164	22,174 61	—	—	39	5,659 84
Heavy repairs	31	22,637 95	39	20,096 00	—	$ 2,541 95	8	—
General repairs	39	41,428 62	33	36,822 06	6	4,606 56	—	—
Rebuilding	8	24,475 51	12	43,677 50	—	—	4	19,201 99
Total	1,507	$169,043 44	1,533	$187,004 30	—	—	26	$17,960 86
Passenger Cars.								
Running repairs	734	$10,387 67	695	$10,163 22	39	$ 224 45	—	—
Light repairs	115	10,452 54	149	11,757 04	—	—	34	$1,304 50
Heavy repairs	33	11,156 95	23	9,315 97	10	1,840 98	—	—
General repairs	2	1,542 86	4	4,624 12	—	—	2	3,081 26
Rebuilding	4	7,118 11	5	7,264 75	—	—	1	146 64
Total	888	$40,658 13	876	$43,125 10	12	—	—	$2,466 97
Freight Cars.								
Running repairs	46,811	$94,038 91	52,724	$121,330 04	—	—	5913	$27,291 13
Light repairs	1,388	21,637 10	788	12,538 36	600	$ 9,098 74	—	—
Heavy repairs	604	26,708 02	779	34,183 85	—	—	175	7,475 83
General repairs	271	20,882 14	304	23,204 02	—	—	33	2,321 88
Rebuilding	284	61,446 21	262	63,548 54	22	—	—	2,102 33
Total	49,358	$224,712 38	54,857	$254,804 81	—	—	5499	$30,092 43
Entire Cost	51,753	$434,413 95	57,266	$484,934 21	—	—	5513	$50,520 26

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Condition of Equipment by Months during the Year—Entire System.

Months Ended.	Locomotives.		Passenger Cars.	
	Number requiring repairs.	Estimated cost of repairs required.	Number requiring repairs.	Estimated cost of repairs required.
July 1, 1896	36	$40,250 00	35	$4,100 00
July 31, 1896	34	37,750 00	33	3,125 00
August 31, 1896	32	40,700 00	33	3,500 00
September 30, 1896	36	41,300 00	30	3,150 00
October 31, 1896	32	32,400 00	26	2,850 00
November 30, 1896	32	27,950 00	23	2,525 00
December 31, 1896	39	28,450 00	26	3,250 00
January 31, 1897	31	23,450 00	24	3,225 00
February 28, 1897	40	24,600 00	29	3,525 00
March 31, 1897	35	22,000 00	33	3,825 00
April 30, 1897	36	23,100 00	37	3,925 00
May 31, 1897	38	23,000 00	38	3,850 00
June 30, 1897	37	29,050 00	37	3,625 00

Months Ended.	Freight Cars.				
	Number owned.	Bad order.		In service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1896	4,433	145	3.27	4,288	96.73
July 31, 1896	4,433	145	3.27	4,288	96.73
August 31, 1896	4,421	209	4.73	4,212	95.27
September 30, 1896	4,418	156	3.53	4,262	96.47
October 31, 1896	4,410	134	3.04	4,276	96.96
November 30, 1896	4,402	169	3.84	4,233	96.16
December 31, 1896	4,393	137	3.11	4,256	96.89
January 31, 1897	4,388	154	3.51	4,234	96.49
February 28, 1897	4,378	174	3.97	4,204	96.03
March 31, 1897	4,378	137	3.13	4,241	96.87
April 30, 1897	4,363	99	2.27	4,264	97.73
May 31, 1897	4,364	151	3.46	4,213	96.54
June 30, 1897	4,353	120	2.75	4,233	97.25

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Performance and Cost of Operating Locomotives—Entire System.

Item.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
Mileage—				
Passenger	1,484,360	1,460,769	23,591	—
Freight	2,017,779	1,967,410	50,369	—
Switch	792,875	839,057	—	46,182
Work	178,558	183,365	—	4,807
Other service	86,097	94,711	—	8,614
Total	4,559,669	4,545,312	14,357	—
Supplies used—				
Tons of coal	153,823	154,920	—	1,097
Pints of lubricating oil	259,717	261,152	—	1,435
Pints of all oil	381,621	386,803	—	5,182
Pounds of waste	35,393	33,336	2,057	—
Miles run—				
Per ton of coal	29.64	29.34	.30	—
Per pint of lubricating oil	17.56	17.40	.16	—
Per pint of all oil	11.95	11.75	.20	—
Per pound of waste	128.80	136.30	—	7.50
Cost of operating—				
Repairs	$169,043 44	$187,004 30	—	$17,960 86
Stores (oil and waste)	11,944 47	11,712 97	$ 231 50	—
Fuel (including cost of handling)	299,464 44	317,911 54	—	18,447 10
Engineers and firemen	279,590 37	279,123 15	467 22	—
Wiping and dispatching	50,436 24	51,246 81	—	810 57
Other motive power accounts	3,558 63	3,415 06	143 57	—
Total	$814,037 59	$850,413 83	—	$36,376 24
Average cost per engine mile—				
Repairs	$0 0371	$0 0411	—	$0 0040
Stores (oil and waste)	0 0026	0 0026	—	—
Fuel (including cost of handling)	0 0657	0 0699	—	0 0042
Engineers and firemen	0 0613	0 0614	—	0 0001
Wiping and dispatching	0 0111	0 0113	—	0 0002
Other motive power accounts	0 0008	0 0008	—	—
Total	$0 1786	$0 1871	—	$0 0085
Average number of engines in service monthly	116	119	—	3
Average monthly mileage per engine	3,275	3,183	92	—

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By referring to statement of equipment on page 60, it will be seen that during the current fiscal year one narrow gauge locomotive has been sold, and one changed to standard gauge, leaving only two narrow gauge locomotives on hand at the close of the year, which are subject to sale.

Two baggage and express cars and two mail and express cars have been constructed during the year, and one mail and express car has been destroyed, which increases the total number of passenger cars to ninety-nine.

The total number of freight cars has decreased from 4,433 to 4,353, which is due principally to the fact that a number of narrow gauge freight cars have been dismantled in the yards at Pine Bluff and Tyler, which have been replaced, in a measure, by new modern freight cars. Hence, while the total number of freight cars has decreased, the actual cash value of the freight car equipment has been materially increased.

Attention is called to statement on page 63, exhibiting the performance and cost of operating locomotives, which shows some very favorable comparisons with the preceding fiscal year. The total engine mileage shows an increase of 14,357 miles, while the quantity of coal and oil used, show substantial decreases. The average cost per engine mile decreased throughout with the exception of two small items, which remain the same as during the preceding year, while the average monthly mileage per engine shows an increase of ninety-two miles.

Work has been commenced on the additional shop facilities required at Tyler, Texas, and will be pushed forward as rapidly as practicable. Additional store room facilities are needed at Pine Bluff, Ark., and increased shop facilities at various terminal points are again recommended, as the saving in expenses to be accomplished by such additional facilities would soon equal their original cost.

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FUEL SUPPLY.

Comparative Statement of Coal Purchased and Consumed During Years Ended June 30th, 1897-1896. Entire System.

Item.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
Purchased—				
No. of tons purchased	161,066	165,805	—	4,739
Total cost of coal purchased, excluding company freight . . .	$280,536 41	$305,104 99	—	$24,568 58
Amount of company freight included in cost of coal purchased	6.539 04	5,571 66	$967 38	—
Total cost of coal purchased, including company freight . . .	287,075 45	310,676 65	—	23,601 20
Average cost of coal per ton, excluding company freight . . .	1 74	1 84	—	0 10
Average cost of coal per ton delivered on line, including company freight	1 78	1 87	—	0 09
Consumed—				
No. of tons consumed	161,232	163,122	—	1,890
Total cost of coal consumed, excluding expense of handling .	$290,968 24	$310,737 67	—	$19,769 43
Total expense of handling coal consumed	21,366 68	22,033 19	—	666 51
Average expense per ton of handling coal consumed	0.1325	0.1351	—	0.0026
Total cost of coal consumed including expense of handling . . .	312,334 92	332,770 86	—	20,435 94
Average cost of coal consumed per ton, including expense of handling	1 94	2 04	—	0 10

A material reduction in the average price paid for coal has been effected, and is due to reductions in the contract prices secured in January, 1896, mentioned in the Fifth Annual Report, and also to still further reductions in contract prices obtained in

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January, 1897. The full effect of the reductions made in January, 1897 is not shown in the figures contained in the foregoing table, because such reductions were only effective during six months of the fiscal year ended June 30th, 1897. Another factor in keeping down the average price paid for coal has been the continuation of the policy of purchasing coal from mines contiguous to the portion of the line on which the coal is to be used; the coal for use of your line north of Texarkana being purchased from Illinois and Arkansas mines, and the coal for use of your lines in Texas being purchased from Texas and Indian Territory mines.

It is gratifying to again be able to report a reduction in the average cost per ton of handling coal consumed. This expense has been showing a steady decrease for several years, which is the result of systematic improvements in facilities for handling coal in the way of coal chutes, hoists, etc.

Wood.

During the fiscal year ended June 30th, 1897, 2,341 cords of wood were purchased at a total cost of $2,732.42, being an average of $1.17 per cord, against the average of $1.14 per cord paid during the preceding fiscal year. The average cost per cord has been kept down by utilizing for fuel pile ends and other scrap wood, and by purchasing at a very low figure slab wood from saw mills.

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TELEGRAPH DEPARTMENT.

The following table shows the mileage of telegraph lines and wires operated, and the expense of operation and repairs in this department, for the fiscal year ended June 30th, 1897, as compared with the preceding fiscal year:

DESCRIPTION OF LINES—ENTIRE SYSTEM.

MILEAGE.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.
Miles of railroad	1,223.0	1,223.0	—
Miles of wire owned by this company (on poles owned by W. U. Tel. Co.)	1,074.0	1,074.0	—
Owned by Western Union Tel. Co.	2,838.0	2,806.0	32.0

EXPENSES—ENTIRE SYSTEM.

NATURE OF EXPENSE.	Year ended June 30, 1897.	Year ended June 30, 1896.	Decrease.	Per cent.
Salaries of telegraph operators	$51,490 40	$59,898 48	$8,408 08	14.04
Supplies used by operators	995 13	1,234 26	239 13	19.37
Repairs of telegraph line	5,528 87	6,193 43	664 56	10.73
Total	$58,014 40	$67,326 17	$9,311 77	13.83

The telegraph wires are operated jointly by the Western Union Telegraph Company and your company.

During the current fiscal year thirty-two miles of new wire owned by the Western Union Telegraph Company have been erected, and the work of maintenance of the telegraph lines has been well kept up.

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HOSPITAL SERVICE.

The hospital at Tyler, Texas, has been efficiently and economically operated during the current fiscal year, under the management of Dr. C. A. Smith, Chief Surgeon. The institution continues self-sustaining, contributions from employes covering all expenses.

The following brief summary shows the operations of this department for the fiscal year, ended June 30th, 1897, compared with the preceding fiscal year:

EMPLOYES RECEIVING HOSPITAL BENEFITS, ETC.

ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1897.	June 30, 1896.	Increase.	Decrease.
Patients in hospital at the beginning of year	70	47	23	—
Patients admitted during the year	1,669	2,232	—	563
Total	1,739	2,279	—	540
Number discharged	1,680	2,193	—	513
Number of deaths	7	16	—	9
Patients remaining in hospital at the close of year	52	70	—	18
Total	1,739	2,279	—	540
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	7,148	6,825	323	—
Total number of employes receiving hospital benefits	8,887	9,104	—	217
Death rate	0.4	0.7	—	0.3

There were only seven deaths at the hospital during the current fiscal year, reducing the death rate to four-tenths of one per cent., the lowest in the history of the institution.

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During the latter portion of the current fiscal year some much needed improvements in the hospital plant were commenced, which, when completed, will furnish a modern operating room, additional dining room, kitchen, storeroom and other essential facilities. The plumbing was also overhauled, and when these improvements are finished, the hospital plant will be one of the best in the Southwest.

The reading room has been fairly well supplied with papers and periodicals, for which thanks are due to the kind ladies of Tyler, Texas, Mr. Edwin Gould and others.

CONCLUSION.

In the appendix to this report will be found Comparative Statistics pertaining to the operation of your property during the past nine years, and Income and Financial Exhibits for each of the separate corporations forming your system of railways for the fiscal year ended June 30th, 1897, to which careful attention is invited.

The employes, generally, are to be commended for the intelligence and zeal displayed in the discharge of their respective duties, and for their loyalty to the interests of your company, all of which is acknowledged with pleasure.

For the Board of Directors,

S. W. FORDYCE,

President.

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APPENDIX.

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Comparative Statistics.

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I.

Gross Earnings by Months

For Nine Years Ended June 30th, 1897—Entire System.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.
July	$227,185 56	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91
October	383,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76
November	335,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69
Total	$3,377,838 03	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43

II.

Operating Expenses (Including Betterments) by Months

For Nine Years Ended June 30th, 1897—Entire System.

July	$268,005 81	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44
September	354,923 07	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90
Total	$3,404,516 05	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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III.

Net Earnings by Months
For Nine Years ended June 30th, 1897—Entire System.

Miles operated . . .	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.
July	**$ 40,820 25**	$ 57,925 86	**$ 94,541 68**	$ 28,143 21	$ 33,419 13	**$ 6,239 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26
August	**110,319 00**	63,684 82	**72,866 61**	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24
September	**58,534 85**	112,910 01	**80,758 95**	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12
November	**21,458 47**	80,164 07	**67,782 70**	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45
January	**4,840 91**	**523 27**	**47,154 18**	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10
February	5,348 11	**57,005 96**	**36,378 60**	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09
March	31,265 12	**42,288 43**	**29,226 78**	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34
April	16,946 12	**86,501 97**	**53,497 84**	5,353 66	8,155 87	785 25	15,258 33	12,914 05	23,294 44
May	1,481 40	**82,531 70**	**38,860 81**	6,617 06	5,467 54	5,801 77	16,451 75	**9,930 51**	7,136 10
June	34,107 92	**108,668 77**	**63,620 07**	**26,120 14**	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**
Total	**$26,678 02**	$226,462 28	**$525,990 75**	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19

Note.—Heavy-faced type denotes deficit.

IV.

Betterments (included in Operating Expenses) by Months
For Nine Years ended June 30th, 1897—Entire System.

July	$ 28,054 58	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11
April	5,554 76	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68
Total	$381,221 15	$786,157 61	$1,089,159 83	$129,266 71	$182,665 06	$ 113,547 81	$197,086 33	$210,894 92	$113,544 38

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Co.'s and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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V.

Summary of Financial Results from Operation

For Nine Years ended June 30th, 1897—Entire System.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses. (including betterments.)		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings					Surplus.	Deficit.
1889	1,187.8	$3,377,838 03	$3,404,516 05	100.79	**$ 26,678 02**	$ 875 00	**$ 25,803 02**	$1,010,330 55	—	$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954.430 62	—	63,188 26

NOTE.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

Heavy-faced type denotes deficit.

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VI.

Traffic Statistics.

For Nine Years Ended June 30th, 1897—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of tons carried.	* Freight revenue.	Number of tons carried one mile.	Freight train mileage, including ¾ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per ton.	Average revenue per ton per mile.	Average distance haul of one ton (miles).	Average revenue per freight train mile.
1889	1,187.8	898,125	$2,662,170 13	203,004,973	1,729,767	$2,241 26	$2.9641	$0.0131	226.03	$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2.9410	0.0131	223.99	1.8403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	* Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1889	1,187.8	560,728	$557,745 10	21,154,434	875,328	$469 56	$0.9947	$0.0264	37.73	$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36.744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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VIII.

Train and Car Mileage Statistics.

For Nine Years Ended June 30th, 1897—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per Loaded car (tons).	Per Train (tons).	On this line.		On fr'gn lines.
														Home	Fr'gn.	Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720.774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73	24	26	20

IX.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145

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Income and Financial Exhibits.

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VIII.

Train and Car Mileage Statistics.

For Nine Years Ended June 30th, 1897—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per Loaded car (tons).	Per Train (tons).	On this line. Home	On this line. Fr'gn.	On fr'gn lines. Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720.774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73	24	26	20

IX.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145

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Income and Financial Exhibits.

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X.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO. — YEAR ENDED JUNE 30TH, 1897.

TO EXPENSES—			BY EARNINGS—		
Conducting transportation	$820,717 49		Freight	$2,383,860 00	
Motive power	489,184 28		Passenger	417,389 04	
Maintenance of cars	187,561 55		Mail	86,508 22	
Maintenance of way	601,982 23		Express	44,949 60	
General expenses	88,788 44	$2,188,233 99	Telegraph	3,188 92	
			Miscellaneous	31,753 64	$2,967,649 42
Net earnings	—	779,415 43			
		$2,967,649 42			$2,967,649 42
To Accrued interest on bonds	—	$ 800,000 00	By Net earnings brought down	—	$ 779,415 43
Taxes accrued	—	66,230 39	Interest on bonds owned—		
Interest and exchange	—	8,392 44	St. L. S. W. Ry. Co. of Texas,		
All other payments	—	7,891 69	First mortgage, $9,445,000.00 @ 4%	$ 377,800 00	
			Tyler Southeastern Ry. Co.,		
Total debits	—	$ 882,514 52	First mortgage . $660,000.00 @ 4%	26,400 00	
			Paragould Southeastern Ry. Co.,		
Surplus income for fiscal year ended June 30th, 1897, carried to credit of profit and loss account	—	303,778 82	First mortgage . . $25,000.00 @ 6%	1,500 00	405,700 00
			Sundry amounts	—	1,177 91
		$1,186,293 34	Total credits	—	$1,186,293 34

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1897.

To Proportion of discount on first mortgage certificates in Treasury sold	$ 22,705 37	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1896	$2,028,947 50
Bad debts charged off—		Surplus income from operation for fiscal year ended June 30th, 1897, as per foregoing statement	303,778 82
Gulf & Ship Island Ry. balance of account—uncollectible	7,567 44		
Receiver, Newport News & Mississippi Valley Co.—uncollectible	201 86		
Balance to credit of profit and loss account, June 30th, 1897	2,302,251 65		
	$2,332,726 32		$2,332,726 32

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ST. LOUIS SOUTHWESTERN RY. CO.

XI.
CONDENSED BALANCE SHEET.

JUNE 30TH, 1897.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$47,045,026 69	+ $ 1,071 54
Construction accounts		21,530 95	—
Real estate		27,327 95	—
Investments in stocks and bonds—			
Capital stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00		—
Capital stock Tyler Southeastern Ry. Co.	250,000 00		—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00		—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00		—
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00		—
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00		—
St. Louis Southwestern Ry. Co.:			
Capital stock—			
Preferred $106,350 00			
Common 143,900 00			
1st mtg. certificates —	250,250 00		- 140,000 00
Paragould Southeastern Ry. Co.:			
Capital stock $25,000 } Cost			
1st mtge. bonds 25,000 } to Co.	25,000 00		—
First mortgage bonds Gulf and Ship Island Ry., par value $15,000, purchased for	—		- 1,500 00
		18,182,750 00	
Current assets—			
Cash	$ 73,875 12		- 10,715 77
Advances to sundry agents to be accounted for	3,576 20		- 2,757 68
Sundry accounts collectible	81,647 99		- 60,820 40
Prepaid insurance	2,485 08		+ 1,048 78
	$161,584 39		—
Supplies on hand	173,341 75		- 46,168 44
		334,926 14	
St. Louis Southwestern Ry. Co. of Texas, general account		2,219,110 97	+ 456,015 19
Tyler Southeastern Ry. Co., general account		120,790 00	+ 8,119 94
		$67,951,462 70	+ $204,293 16

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt—			
* First mortgage bonds (4%)	$20,000,000 00		
† Second mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations		147,278 87	- $ 26,565 03
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	$277,500 00		+ 65,215 65
Interest on bonds—accrued, not due until Nov. 1st, 1897	133,333 33		—
Taxes accrued year 1897—not due until 1898	32,931 25		- 68 75
Hospital fund	4,360 66		+ 1,064 94
		448,125 24	
Current liabilities—			
Audited vouchers unpaid	$311,648 67		- 55,324 27
Audited pay-rolls unpaid	124,838 27		- 2,588 53
Interest on bonds—due and unpaid (unpresented coupons)	32,600 00		- 5,960 00
Notes payable—due on demand	—		- 75,600 00
		469,086 94	
Miscellaneous accounts		84,720 00	+ 30,815 00
Balance to credit of profit and loss account, June 30th, 1897, as per detailed exhibit on preceding page		2,302,251 65	+ 273,304 15
		$67,951,462 70	+ $204,293 16

* Secured by first mortgage lien on St. L. S. W. Ry., $9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S. E. Ry. Co., $660,000.

† Secured by second mortgage lien on St. L. S. W. Ry., $2,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S. E. Ry. Co., $330,000.

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XII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1897.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 483,348 45		Freight	$1,201,615 02	
Motive power	401,233 08		Passenger	338,738 99	
Maintenance of cars	117,646 60		Mail	54,397 98	
Maintenance of way	475,365 63		Express	23,644 80	
General expenses	65,661 14	$1,543,254 90	Telegraph	2,863 66	
			Miscellaneous	32,910 89	$1,654,171 34
Net Earnings	—	110,916 44			
		$1,654,171 34			$1,654,171 34
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	—	$ 110,916 44
Taxes accrued	—	50,136 44	Sundry amounts	—	906 26
Interest and exchange	—	8,355 20			
All other payments	—	7,365 99	Total credits	—	$ 111,822 70
			Deficit for fiscal year ended June 30th, 1897, carried to debit of profit and loss account	—	331,834 93
Total debits	—	$ 443,657 63			$ 443,657 63

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1897.

To Balance to debit of profit and loss account, July 1st, 1896—	$1,508,640 93	*By Balance to debit of profit and loss account, June 30th, 1897*	$1,868,218 01
Deficit from operation for fiscal year ended June 30th, 1897, as per foregoing statement	331,834 93		
Proportion of discount on first mortgage certificates, St. L. S. W. Ry. sold	21,668 30		
Compromise settlement of suit of Britton & Lyon, contractors, vs. St. L., A. & T. Ry. in Texas, for construction work done on Sherman and Ft. Worth branches in 1887-8	6,073 85		
	$1,868,218 01		$1,868,218 01

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.

CONDENSED BALANCE SHEET.

JUNE 30TH, 1897.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,166,331 22	+ $ 9,547 14
Current assets—			
Cash	$ 82,842 91		+ 17,089 14
Sundry accounts collectible	30,340 52		+ 1,405 41
Prepaid insurance	2,046 72		+ 1,277 08
	$ 115,230 15		
Supplies on hand	74,535 73		+ 4,771 79
		189,765 88	
Tyler Southeastern Ry. Co., general account		148,460 08	+ 28,214 94
Balance to debit of profit and loss account, June 30th, 1897, as per detailed exhibit on preceding page		1,868,218 01	+ 359,577 08
		$19,372,775 19	+ $421,882 58

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		$2,500,000 00	—
Funded debt—			
1st mortgage bonds (4%)	$ 9,445,000 00		
2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
Equipment trust obligations		147,278 87	- $ 37,969 83
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	$ 100,000 00		- 130 65
Taxes accrued year 1897—not due until 1898	29,165 05	129,165 05	+ 294 95
Current liabilities—			
Audited vouchers unpaid	$ 80,456 17		+ 10,089 43
Audited pay-rolls unpaid	128,964 13	209,420 30	- 6,281 52
Miscellaneous accounts		300 00	- 134 99
St. Louis Southwestern Ry. Co., general account		2,219,110 97	+ 456,015 19
		$19,372,775 19	+ $421,882 58

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XIV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1897.

To EXPENSES—			BY EARNINGS—		
Conducting transportation	$ 38,171 00		Freight	$ 83,006 75	
Motive power	34,644 79		Passenger	28,890 04	
Maintenance of cars	7,508 53		Mail	5,325 64	
Maintenance of way	40,124 36		Express	3,405 60	
General expenses	3,950 67	$ 124,399 35	Telegraph	449 87	
			Miscellaneous	647 77	$ 121,725 67
			Deficit from operation	—	2,673 68
		$ 124,399 35			$ 124,399 35
To Deficit brought down	—	$ 2,673 68			
Accrued interest on bonds	—	26,400 00			
Taxes accrued	—	5,118 61			
Interest and exchange	—	520 67			
All other payments	—	419 19	*By Deficit for fiscal year ended June 30th, 1897, carried to debit of profit and loss account*	—	35,132 15
Total debits	—	$ 35,132 15			$ 35,132 15

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1897.

To Balance to debit of profit and loss account July 1st, 1896	$ 231,684 00	*By Balance to debit of profit and loss account June 30th, 1897*	$268,330 45
Deficit from operation for fiscal year ended June 30th, 1897, as per foregoing statement	35,132 15		
Proportion of discount on first mortgage certificates St. Louis Southwestern Ry. sold	1,514 30		
	$ 268,330 45		$268,330 45

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XV.

TYLER SOUTHEASTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1897.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	$1,246,156 80	- $ 14 64	Capital stock—			
			Common		$ 250,000 00	—
Current assets—			Funded debt—			
Prepaid insurance	118 83	+ 58 07	1st mortgage bonds (4%)	$ 660,000 00		
			2nd mortgage income bonds (4%, if earned)	330,000 00	990,000 00	—
Balance to debit of profit and loss account June 30th, 1897, as per detailed exhibit on preceding page	268,330 45	+ 36,646 45	Miscellaneous accounts		5,356 00	+ $ 355 00
			St. Louis Southwestern Ry. Co., general account		120,790 00	+ 8,119 94
			St. Louis Southwestern Ry. Co. of Texas, general account		148,460 08	+ 28,214 94
	$1,514,606 08	+ $ 36,689 88			$1,514,606 08	+ $36,689 88

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SEVENTH ANNUAL REPO

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWES

RAILWAY COMPAN

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO.

AND

TYLER SOUTHEASTERN RAILWAY

FISCAL YEAR ENDED

JUNE 30, 1898.

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SEVENTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTE RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TE

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1898.

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R. R. Gazette
Aug. 6, 1897.

Paragould Southeastern.—Surveys have been made for an extension of this road from its present terminus at Cardwell, Dunklin County, Mo., east 10½ miles to Hornersville, head of navigation at Big Lake. This road at present extends from Paragould, Ark., a point on the St. Louis Southwestern, east to Cardwell, Mo., 11 miles. The new extension will connect with the water route through Pascola River to the Mississippi.

R. R. Gazette,
Aug. 20, 1897.

Paragould Southeastern.—This company has filed amended articles of incorporation with the Secretary of State in Missouri for an increase of its capital stock from $50,000 to $134,000, and providing for the proposed extension, from Cardwell, Mo., noted in this column Aug. 6.

R. R. Gazette,
Nov. 12, 1897.

St. Louis Southwestern.—At a special meeting of the stockholders, held at St. Louis Nov. 4, it was decided to guarantee the payment of the principal and interest of the bonds of the Gray's Point Terminal Railway Co., to the extent of $15,000 for each line of its proposed road, which is to extend from Delta east 15 miles to Gray's Point, Mo., and will become a part of the St. Louis Southwestern.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

SEVENTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1898.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING COMPANY, 309 to 325 North Third Street.
1898.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1897.

S. W. FORDYCE	ST. LOUIS, MO.
EDWIN GOULD	IRVINGTON, N. Y.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
WINSLOW S. PIERCE	NEW YORK, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
MURRAY CARLETON	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1898.

S. W. FORDYCE	St. Louis, Mo.
EDWIN GOULD	Irvington, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
J. A. EDSON	Tyler, Tex.
WILLIAM CAMERON	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1898.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Tarrytown, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
J. A. EDSON	Tyler, Tex.
J. P. DOUGLAS	Tyler, Tex.
T. F. MURCHISON	Athens, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

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DOW, JONES & CO.,

NEWS BULLETINS.

42-44 Broad Street, New York. Telephone No. 1845 Broad.

Monday, October 24. 1898. 48 W No. 76

ST. LOUIS SOUTHWESTERN.

At a directors' meeting of the St. Louis Southwestern R. R. Co. held in this city this morning, Col. S. W. Fordyce, declined reelection as president for the ensuing year, and nominated Mr. Edwin Gould, who was unanimously elected. Mr. Russell Harding of the Great Northern who was elected as vice-president in place of Mr. Edwin Gould is an unusually capable railroad man.

J. S. BERRY	*Superintendent Water Service, Bridges and Buildings*	TYLER, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	*President*	St. Louis, Mo.
EDWIN GOULD	*First Vice-President*	Irvington, N. Y.
J. A. EDSON	*Second Vice-Pres't and Gen'l Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
GEORGE ERBELDING	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
E. J. NICHOLS	*Resident Engineer*	Tyler, Tex.
J. S. BERRY	*Superintendent Water Service, Bridges and Buildings*	Tyler, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Tarrytown, N. Y.
J. A. EDSON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
G. W. BARNHART	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger Agent*	Tyler, Tex.
E. J. NICHOLS	*Resident Engineer*	Tyler, Tex.
J. S. BERRY	*Superintendent Water Service, Bridges and Buildings*	Tyler, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 1st, 1898.

To the Stockholders of the St. Louis Southwestern Railway Company:

The Seventh Annual Report for the fiscal year ended June 30th, 1898, is herewith respectfully submitted.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1898, compared with the preceding fiscal year:

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
Gross earnings	$5,279,332 82	$4,743,546 43	$535,786 39	—
Operating expenses (including betterments)	4,173,327 62	3,855,888 24	317,439 38	—
Net earnings	$1,106,005 20	$ 887,658 19	$218,347 01	—
All other receipts	8,907 14	3,584 17	5,322 97	—
Total income over operating expenses	$1,114,912 34	$ 891,242 36	$223,669 98	—
Fixed and other payments charged against income:				
Accrued interest on first mortgage bonds (4 per cent.)	$ 800,000 00	$ 800,000 00	—	—
Taxes accrued	131,006 51	121,485 44	$ 9,521 07	—
Interest and exchange	11,881 05	17,268 31	—	$ 5,387 26
All other payments	14,731 24	15,676 87	—	945 63
Total charges against income	$ 957,618 80	$ 954,430 62	$ 3,188 18	—
Surplus carried to credit of profit and loss account	$ 157,293 54	—	$220,481 80	—
Deficit carried to debit of profit and loss account	—	$ 63,188 26	—	—

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The following table contains a further comparison of the general operating results for the current fiscal year with those of the preceding fiscal year:

Gross earnings	increase	$535,786 39 or 11.30%
Freight earnings	increase	470,450 24 or 12.82%
Passenger earnings	increase	69,103 38 or 8.80%
Mail, express, telegraph and miscellaneous earnings	decrease	3,767 23 or 1.30%
Operating expenses (including betterments)	increase	317,439 38 or 8.23%
Betterments	increase	19,265 50 or 16.97%
Extraordinary expenses	increase	22,072 38 or 54.62%
Operating expenses (exclusive of betterments and extraordinary expenses)	increase	276,101 50 or 7.46%
Total tonnage (tons)	increase	248,624 or 16.31%
Total number of tons carried one mile	increase	32,637,545 or 10.03%
Average revenue per ton per mile	increase	$0.0003 or 2.65%
Total number of passengers carried	increase	24,894 or 3.10%
Total number of passengers carried one mile	increase	3,939,396 or 11.86%
Average revenue per passenger per mile	decrease	$0.0006 or 2.54%
Total train mileage	increase	144,915 or 4.14%

The gross earnings for the fiscal year ended June 30th, 1898, were the largest in the history of the road, and it is worthy of note that the per cent. of increases in operating expenses and total train mileage were considerably less than the per cent. of increases in gross earnings, total tonnage transported and total number of passengers carried, which demonstrates economical operation as well as the fact that the earning capacity of your property is constantly increasing.

During the current fiscal year traffic was somewhat retarded by the unfavorable conditions incident to the prevalence of yellow fever in the South in the fall of 1897, and by overflow of the Arkansas and other rivers in the spring of 1898. However, the revival of business and the good crops of 1897 more than offset these unfavorable conditions, and enabled your property to make the good showing exhibited by the foregoing figures.

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The surplus earnings for the current fiscal year, together with other resources, have been applied principally in liquidating maturing equipment trust obligations, and in the purchase of additional equipment found to be absolutely necessary in order to handle the traffic which has been constantly increasing. Reference is here made to the summary of financial operations on page 30, showing in detail all resources, and how the same were applied during the current fiscal year.

Rates have been reasonably well maintained, and the small increase in the rate per ton per mile, over the preceding year, will be noted.

The work of betterments and improvements has been continued as far as the financial condition of your company would permit. While the Extraordinary Expense account shows an increase, the absolute necessity of this is made plain in the remarks under that head.

Your company has made heavy expenditures during the year in order to comply as rapidly as possible with the Federal law relating to safety appliances upon equipment. Three hundred standard box cars, 60,000-pounds capacity, with all modern appliances, have been acquired under a car trust extended over a period of five years, with a cash payment of 20 per cent. In order to successfully compete for the live stock business, five hundred new improved stock cars have been leased on terms considered favorable to your company.

The Gray's Point Terminal Road was practically completed during the fiscal year ended June 30th, 1898, excepting the river incline which, on account of continued high water, has been delayed. This property will not be received from the contractors until the incline is finished, which is now expected to be done about the 15th of October.

The extension of the Paragould Southeastern Railway to Hornersville, in Southeast Missouri, was completed in October, 1897, and the expected increased earnings of that property and

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the additional traffic furnished to your company, have been more than realized.

The Louisiana & Northwest Railroad Company has about completed its extension from Homer, La., to Magnolia, Ark. This will open up a new and undeveloped territory which, it is believed, will very materially add to the business of your company.

A contract with the Gulf, Colorado & Santa Fe Railway has been made, effective August 1st, 1898, giving to your company the use of the former company's line of road from Wylie, Texas, to Dallas, Texas, together with the use of their terminals at Dallas. The contract expires in ten years, and may be cancelled upon six months' notice. Terms are forty cents per train mile for both freight and passenger trains, for use of the main line; for passenger and freight terminals a 5 per cent. interest charge is made upon agreed valuations and divided between the two companies upon a car and tonnage basis respectively. The cost of maintenance and operation, including taxes, ordinary repairs, insurance, salaries of joint employes, fuel, light, etc., is also apportioned upon the same basis. This, it is believed, is much more advantageous to your company than an independent road and facilities at Dallas.

A like agreement has been entered into between your company and the Gulf, Colorado & Santa Fe Railway, which permits the latter company to use your company's lines and terminal facilities between Wolfe City, Texas, and Sherman, Texas.

It will be noted that several new industries have been located on the line. There are now 263 flowing oil wells at Corsicana, Texas, the output of which, at present, is 2,600 barrels per day. Pipe lines, storage tanks and refineries are being constructed. The extent of the oil field is constantly increasing, and it is believed that a very lucrative business will be added to the revenues of your property from this new industry.

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The prospects for crops of grain, cotton, etc., in the country tributary to these lines, are fully as good, if not better, than they were for last year. The general condition of business in the country traversed by your lines is quite satisfactory.

During the current fiscal year no changes have been made in the length of main track operated. There have been put in 7.7 miles of new side and spur tracks, and 5.4 miles of old side tracks have been taken up, making a net increase of 2.3 miles in the side track mileage during the fiscal year ended June 30th, 1898.

Attention is invited to the table on the following page, headed "Miles Operated," showing the miles of track owned and controlled by your company.

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MILES OPERATED.

The length of main track operated, on which all computations pertaining to earnings, expenses and traffic statistics are based, and of side tracks, is shown in the following table:

MILES OF TRACK OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main track.	Side track.	Total.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Main line	418.0	104.1	522.1
New Madrid branch	5.7	.3	6.0
Delta branch	51.4	8.3	59.7
Little Rock branch	41.7	5.4	47.1
Magnolia branch	6.4	.4	6.8
Shreveport branch	59.5	8.9	68.4
Total	582.7	127.4	710.1
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Main line	304.6	52.0	356.6
Sherman branch	109.9	14.7	124.6
Ft. Worth branch	97.2	14.3	111.5
Hillsboro branch	40.0	4.3	44.3
Total	551.7	85.3	637.0
TYLER SOUTHEASTERN RY. CO.—			
Main line	88.6	7.5	96.1
ENTIRE SYSTEM—			
Total miles of track June 30, 1898	1,223.0	220.2	1,443.2
Total miles of track June 30, 1897	1,223.0	217.9	1,440.9
Increase	—	2.3	2.3

The contents of the several chapters headed respectively "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way," "Motive Power and Car Department," etc., which follow, exhibit a detailed analysis of the results from operation and of the maintenance and improvement of your property, and a careful perusal thereof is invited.

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FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1898.
2. Statement of profit and loss account, to June 30th, 1898.
3. Condensed balance sheet, June 30th, 1898.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year, also your company's financial condition at the close of the fiscal year ended June 30th, 1898, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Classified statement of earnings and expenses	" A.
Betterments and extraordinary expenses	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Interest and exchange	" D.
All other payments charged against income account	" E.
Interest on bonds owned	" F.
All other receipts credited income account	" G.
Cost of road and equipment	" H.
Construction accounts	" I.
Real estate	" J.
Investments in stocks and bonds	" K.
Miscellaneous accounts	" L.
Capital stock	" M.
Funded debt	" N.
Equipment trust obligations	" O.
Floating debt	" P.
Miscellaneous accounts	" Q.
Summary of financial transactions	" R.

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Income Account—Entire System.

Year Ended June 30th, 1898.

To Expenses (see exh. A, page 16)—			By Earnings (see exh. A, page 16)—		
Conducting transportation	$1,534,746 94		Freight	$4,138,932 01	
Motive power	998,996 10		Passenger	854,121 45	
Maintenance of cars	353,827 85		Mail	146,540 82	
Maintenance of way	1,114,694 75		Express	72,000 00	
General expenses	171,061 98	$4,173,327 62	Telegraph	6,509 14	
Net earnings	—	1,106,005 20	Miscellaneous	61,229 40	$5,279,332 82
		$5,279,332 82			$5,279,332 82
To Accrued interest on bonds (see exh. B, p. 21)	$ 800,000 00		By Net earnings brought down	—	$1,106,005 20
Taxes accrued " C " 21	131,006 51		Interest on bonds owned (see exh. F, page 22)	$2,740 00	
Interest and exchange " D " 22	11,881 05		All other receipts (see exh. G, p. 23)	6,167 14	8,907 14
All other payments " E " 22	14,731 24	$ 957,618 80			
Surplus income for fiscal year ended June 30th, 1898, carried to credit of profit and loss account	—	157,293 54			
Total	—	$1,114,912 34	Total	—	$1,114,912 34

Profit and Loss Account—Entire System—June 30th, 1898.

To Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L. A. & T. Ry., and St. L. A. & T. Ry. in Texas	$ 12,320 08	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1897	$ 165,703 19
Balance to credit of profit and loss account, June 30th, 1898	310,676 65	Surplus income from operation for fiscal year ended June 30th, 1898, brought down	157,293 54
Total	$ 322,996 73	Total	$ 322,996 73

Note.—See appendix for income account and profit and loss account of each company separately.

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Condensed Balance Sheet—Entire System.

June 30th, 1898.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. H, page 23)		$65,616,343 19	+ $158,828 48
Construction accounts (see exh. I, page 24)		21,530 95	—
Real estate (see exh. J, page 24)		27,327 95	—
Investments (see exh. K, page 24)—			
Stocks and bonds owned		302,187 50	+ 26,937 50
Current assets (see exh. P, page 28)—			
Cash	$178,016 47	—	+ 21,298 44
Sundry accounts collectible	248,575 26	—	+ 136,586 75
Advances to sundry agents (to be accounted for)	5,954 28	—	+ 2,378 08
Prepaid insurance	4,721 29	—	+ 70 66
	$437,267 30	—	—
Supplies on hand	291,312 48	—	+ 43,435 00
		728,579 78	
Miscellaneous accounts, see exh. L, page 26		17,672 04	+ 17,672 04
Total		$66,713,641 41	+ $407,206 95

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock (see exh. M, page 26)—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt (see exh. N, page 26)—			
1st mortgage bonds (4%)	$20,000,000 00		
2d mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations (see exh. O, page 27)		335,741 20	+ $41,183 46
Deferred liabilities (see exh. P, page 28)—			
Notes payable—due on stated dates after July 1st,	$337,639 47	—	- 39,860 53
Interest on bonds—accrued, not due until Nov. 1st, 1898	133,333 33	—	—
Taxes accrued year 1898—not due until 1899	64,381 07	—	+ 2,284 77
Hospital fund	1,345 24	—	- 3,015 42
		536,699 11	
Current liabilities (see exh. P, page 28)—			
Audited vouchers unpaid	$557,718 35	—	+ 165,613 51
Audited pay-rolls unpaid	279,007 50	—	+ 25,205 10
Interest on bonds—due and unpaid (unpresented coupons)	34,180 00	—	+ 1,580 00
Notes payable—due on demand.	49,000 00	—	+ 49,000 00
		919,905 85	
Miscellaneous accounts (see exh. Q, page 29)		110,618 60	+ 20,242 60
Balance to credit of profit and loss account, June 30th, 1898, as per detailed exhibit on preceding page		310,676 65	+ 144,973 46
Total		$66,713,641 41	+ $407,206 95

Note.—See appendix for condensed balance sheet of each company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Earnings—						
Freight	$4,138,932 01	$3,668,481 77	$470,450 24	12.82	—	—
Passenger—local	546,740 01	522,751 28	23,988 73	4.59	—	—
Passenger—foreign	307,381 44	262,266 79	45,114 65	17.20	—	—
Mail	146,540 82	146,231 84	308 98	.21	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,509 14	6,502 45	6 69	.10	—	—
Miscellaneous	61,229 40	65,312 30	—	—	$4,082 90	6.25
Total	$5,279,332 82	$4,743,546 43	$535,786 39	11.30	—	—
Earnings per mile of road	$ 4,316 71	$ 3,878 62	$ 438 09	11.30	—	—
Expenses (including betterments)—						
Conducting transportation	$1,534,746 94	$1,342,236 94	$ 192,510 00	14.34	—	—
Motive power	998,996 10	925,062 15	73,933 95	7.99	—	—
Maintenance of cars	353,827 85	312,716 68	41,111 17	13.15	—	—
Maintenance of way	1,114,694 75	1,117,472 22	—	—	$2,777 47	.25
General expenses	171,061 98	158,400 25	12,661 73	7.99	—	—
Total	$4,173,327 62	$3,855,888 24	$ 317,439 38	8.23	—	—
Expenses per mile of road	$ 3,412 37	$ 3,152 81	$ 259 56	8.23	—	—
Percentage of expenses to earnings	79.05	81.29	—	—	2.24	2.76
Net Earnings	$1,106,005 20	$ 887,658 19	$ 218,347 01	24.60	—	—
Per mile of road	$ 904 34	$ 725 81	$ 178 53	24.60	—	—
Percentage of total earnings	20.95	18.71	2 24	11.97	—	—
Expenses and Taxes—						
Expenses	$4,173,327 62	$3,855,888 24	$ 317,439 38	8.23	—	—
Taxes accrued	131,006 51	121,485 44	9,521 07	7.84	—	—
Total	$4,304,334 13	$3,977,373 68	$ 326,960 45	8.22	—	—
Per mile of road	$ 3,519 49	$ 3,252 15	$ 267 34	8.22	—	—
Percentage of total earnings	81.53	83.85	—	—	2.32	2.77
Surplus after paying taxes	$ 974,998 69	$ 766,172 75	$208,825 94	27.26	—	—
Per mile of road	$ 797 22	$ 626 47	$ 170 75	27.26	—	—

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Classified Statement of Earnings and Expenses,

Showing Per Cent of Each Class to Total.

Entire System.	Year ended June 30, 1898.		Year ended June 30, 1897.	
	Amount.	Per cent.	Amount.	Per cent.
Earnings—				
Freight	$ 4,138,932 01	78.40	$ 3,668,481 77	77.34
Passenger—local	546,740 01	10.36	522,751 28	11.02
Passenger—foreign	307,381 44	5.82	262,266 79	5.53
Mail	146,540 82	2.78	146,231 84	3.08
Express	72,000 00	1.36	72,000 00	1.52
Telegraph	6,509 14	.12	6,502 45	.14
Miscellaneous	61,229 40	1.16	65,312 30	1.37
Total	$ 5,279,332 82	100.00	$ 4,743,546 43	100.00
Expenses (including betterments)—				
Conducting transportation	$ 1,534,746 94	36.77	$ 1,342,236 94	34.81
Motive power	998,996 10	23.94	925,062 15	23.99
Maintenance of cars	353,827 85	8.48	312,716 68	8.11
Maintenance of way	1,114,694 75	26.71	1,117,472 22	28.98
General expenses	171,061 98	4.10	158,400 25	4.11
Total	$ 4,173,327 62	100.00	$ 3,855,888 24	100.00

Betterments and Extraordinary Expenses,

Included in the Foregoing Statement of Operating Expenses.

Entire System.	Betterments.		Extraordinary Expenses.	
	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.
Conducting transportation	$ 11,484 80	$ 1,957 07	$ 19,360 07	$ 4,890 71
Motive power	27,320 91	13,961 37	66 21	923 05
Maintenance of cars	24,627 33	12,791 56	—	448 77
Maintenance of way	69,376 84	84,834 38	43,059 03	34,150 40
Total	$ 132,809 88	$ 113,544 38	$ 62,485 31	$ 40,412 93
Increase this year	$ 19,265 50	—	$ 22,072 38	—
Per cent. of increase	16.97	—	54.62	—

Immediately following will be found a statement showing in detail the several items comprising the expenditure for

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betterments included in the preceding table during the year ended June 30th, 1898:

New station houses, platforms, etc.—		
New brick motive power and yard building at Shreveport, La.	$1,518 00	
Addition to freight depot at Texarkana, Texas	1,287 21	
One-half cost of new joint union passenger depot with H. & T. C. R. R. Co., at Corsicana, Texas	7,502 52	$10,307 73
Additional stock pens—		
Canfield, Ark.	$ 67 38	
Texarkana, Texas	1,727 20	
Rusk, Texas	139 36	1,933 94
Improvements at Pine Bluff shops—		
Putting in cinder pans	$ 415 58	
New steam hammer, blower, etc.	4,240 50	
Bundy time recorder	200 00	
Air compressors	976 42	
New water station (unfinished)	1,937 06	7,769 56
New coal storage bins at Texarkana, Texas		834 98
Improvements to Tyler shops and yard (commenced in May, 1896—unfinished)—		
Advertising for bids for roundhouse	$ 68 84	
New roundhouse (unfinished) / New office building and storeroom (unfinished)	10,371 60	
New turntable (unfinished)	2,038 45	
New sand house (unfinished)	200 88	
New car shed (unfinished)	3,470 88	
New water system (unfinished)	3,480 06	
Extra sewerage	101 42	
Bundy time recorder	190 53	
New fence around motive power yard	367 94	
Putting in drain boxes	107 71	
Loading cinders to ballast track	208 63	
Grading	6,404 63	
Surfacing tracks	56 54	
Changing tracks	551 47	
Engineering expenses	25 00	27,644 58
Amount carried forward		$48,490 79

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Amount brought forward		$48,490 79
Second pond to increase water supply at Commerce, Texas		1,602 98
Air brakes and automatic couplers for freight cars		19,766 58
Pintsch gas equipment for passenger cars		1,294 61
Expenses incident to change of gauge T. S. E. R'y —(commenced in June, 1895)—		
Spreading rails of side tracks		12 09
Ballasting—		
Main line, Arkansas, miles 74 and 75 (unfinished)	$ 235 25	
Main line, Arkansas, mile 179 (completed)	696 50	
Main line, Arkansas, miles 188 to 193 (unfinished	2,566 45	
Sherman branch, mile D 499 (completed)	763 49	
Sherman branch, mile D 503 (completed)	379 15	
Sherman branch, mile D 509 (completed)	407 05	
T. S. E. R'y Co., miles E 615 to E 617 (completed)	1,707 87	6,755 76
Raising track subject to overflow—		
Main line, Missouri, miles 22 to 29 (St. John's bayou)	$5,825 89	
Main line, Arkansas, miles 280 to 284 (Big Creek bottom)	2,798 44	
Main line, Arkansas, miles 335 and 336 (Ouachita river bottom)	706 65	
Main line, Arkansas, miles 358 and 359 (Smackover bottom)	1,071 94	
Main line, Texas, miles 609 and 610	200 00	10,602 92
Raising track to take out sag, etc., main line, Texas, mile 582		674 18
Raising track to take out sag, etc., main line, Texas, mile 646, near Hubbard City tank		1,873 57
Widening enbankments to standard width, etc., main line, Texas, miles 669 and 670 (Tehuacana hill)		710 84
Changing alignment—		
Main line, Arkansas, miles 273 to 275 (Corkscrew hill)	$1,542 50	
Main line, Arkansas, miles 299 to 301 (Kingsland hill)	7,173 67	8,716 17
Amount carried forward		$100,500 49

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Amount brought forward		$100,500 49
New standard fence		15,570 60
New standard tile culverts		57 71
New saw mill spurs, private and side tracks—		
Grading	$2,167 79	
Ballasting	115 61	
Crossings	7 00	
Ties	2,851 30	
Frogs	522 50	
Steel rails	5,318 56	
Spikes	551 70	
Splices, etc.	603 51	
Switch fixtures	642 01	
Labor putting in	3,901 10	16,681 08
Total		$132,809 88

The several items composing the expenditure for extraordinary expenses during the year ended June 30th, 1898, are as follows:

Judgment and costs in suit of Burrell Wheeler for personal injuries caused by explosion of T. S. E. engine, February 8th, 1893	$17,955 11
Detour service account wreck	27 46
Repairing trestles damaged by wrecks	52 21
Repairing trestles damaged by fire	123 70
Watching trestles account dry weather	502 62
Watching and going over track after storms	3 25
Cost of protection work on north bank of Arkansas river near Rob Roy, Ark., where main line crosses the river, to prevent damage by bank caving in	21,458 59
Expenses incurred in protecting property and repairing damages caused by high water and washouts principally on Little Rock branch and main line, Arkansas, miles 246 to 256, caused by overflow of Arkansas river, and near Bird's Point, Missouri, due to overflow of Mississippi river	22,362 37
Total	$62,485 31

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EXHIBIT B.

Accrued Interest on Bonds—Entire System.

The semi-annual interest on first mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 14, due November 1st, 1897	$400,000 00
Coupon No. 15, due May 1st, 1898	400,000 00
Total	$800,000 00

EXHIBIT C.

Taxes Accrued, Fiscal Year—Entire System.

Taxes accrued, fiscal year ended June 30th, 1898	$131,006 51
Taxes accrued, fiscal year ended June 30th, 1897	121,485 44
Increase	$ 9,521 07

The practice of purchasing State and County warrants to be used in the payment of taxes has been continued, and during the fiscal year ended June 30th, 1898, the profits on warrants amounted to $4,008.41, which served to reduce the amount paid for taxes to that extent.

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

State.	Year 1897.	Year 1896.	Increase.	Decrease.
Missouri	$ 13,467 31	$ 14,102 92	—	$ 635 61
Arkansas	54,480 44	51,480 04	$3,000 40	—
Louisiana	6,833 96	4,971 10	1,862 86	—
Texas	57,983 21	55,311 61	2,671 60	—
Total taxes paid—calendar year	$132,764 92	$125,865 67	$6,899 25	—

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EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

Total for year ended June 30th, 1898	$11,881 05
Total for year ended June 30th, 1897	17,268 31
Decrease	$ 5,387 26

This account covers the net amount expended for interest on floating debt.

EXHIBIT E.

ALL OTHER PAYMENTS CHARGED AGAINST INCOME ACCOUNT—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
Equipment Trust Expenses—				
St. Louis Southwes'n Car Trust, Series A	$12,494 91	$13,783 44	—	$1,288 53
St. Charles Car Co. Car Trust, Series X 1	2,009 54	—	$2,009 54	—
Adjustment of sundry accounts	226 79	1,893 43	—	1,666 64
Total	$14,731 24	$15,676 87	—	$945 63

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

Interest on $56,000.00 first mortgage bonds of the Paragould Southeastern Ry. Co., at 6%, year ended June 30th, 1898,	$2,740 00
Interest on $25,000.00 first mortgage bonds of the Paragould Southeastern Ry. Co., at 6%, year ended June 30th, 1897,	1,500 00
Increase	$1,240 00

The increase in the amounts credited to this account, represents the interest on $31,000.00 of first mortgage bonds of the Paragould Southeastern Ry. Co., at six per cent. per annum, from November 1st, 1897, to June 30th, 1898. These bonds were acquired in October, 1897, and are a portion of the first mortgage bonds issued when the extension of the Paragould Southeastern Railway was completed. (See exhibit K, page 24.)

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EXHIBIT G.

All Other Receipts—Credited Income Account.

Entire System.

Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1898	$6,167 14
Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1897	2,084 17
Increase	$4,082 97

EXHIBIT H.

Cost of Road and Equipment—Entire System.

Changes During Year Ended June 30th, 1898.

RIGHT OF WAY SETTLEMENTS			$ 712 97
ADDITIONAL LAND PURCHASED—			
For station and yard facilities at Mt. Pleasant, Athens and Corsicana, Tex.		$1,410 50	
For additional right of way to obtain earth to raise track subject to overflow, etc.		145 15	
For reservoir for company water supply at Commerce, Texas		100 00	
For rock quarries and gravel pits near Bearden, Ark., Redwater, Brandon and Oglesby, Texas		1,412 50	
For changing alignment at Kingsland hill, miles 299 to 301, and Corkscrew hill, miles 273 to 275, main line, Arkansas		441 00	3,509 15
EQUIPMENT—			
Cars purchased—			
Three hundred box cars	$160,147 35		
Cars built—			
Four tank cars	3,125 74	$163,273 09	
Less locomotives sold—			
Proceeds of sale of one narrow gauge and two standard gauge (widened from narrow gauge) locomotives, in excess of cost of fitting up for sale		8,666 73	
Net addition account of equipment			154,606 36
Total net additions for the year			$158,828 48

Cost of Road and Equipment to June 30th, 1898.

Total cost to July 1st, 1897	$65,457,514 71
Total net additions for the fiscal year ended June 30th, 1898	158,828 48
Total cost of road and equipment to June 30th, 1898	$65,616,343 19

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EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	$20,722 81
Survey—Delta to Cape Girardeau	808 14
Total	$21,530 95

No changes have been made in these accounts during the fiscal year ended June 30th, 1898.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes) $27,327 95

During the fiscal year ended June 30th, 1898, no change has been made in this account.

EXHIBIT K.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

Class of Security.	Interest received this year.	June 30, 1898.		June 30, 1897.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, Paragould Southeastern Ry. Co.	—	$ 56,000 00	—	$ 25,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	$2,740 00	56,000 00	$ 51,937 50	25,000 00	$ 25,000 00
Capital stock, St. L. S. W. Ry. Co.—preferred	—	106,350 00	106,350 00	106,350 00	106,350 00
Capital stock, St. L. S. W. Ry. Co.—common	—	143,900 00	143,900 00	143,900 00	143,900 00
Total	$2,740 00	$ 362,250 00	$302,187 50	$300,250 00	$275,250 00
Increase current fiscal year	$1,240 00	$ 62,000 00	$ 26,937 50	—	—

The increases shown in the foregoing table are due to the acquisition in October, 1897, of $31,000.00 of capital stock, and $31,000.00 of first mortgage bonds (on which interest at 6 per cent. per annum commenced November 1st, 1897) of the Paragould Southeastern Ry. Co., the cost to the company being $26,937,50.

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Stocks and Bonds—Paragould Southeastern Railway Company.

On October 25th, 1897, the extension of the Paragould Southeastern Ry. Co. from Cardwell, Mo., to Hornersville, Mo., was opened for business, making an increase of 9.99 miles in the operated mileage of the line. The total length of the main line is now 22.04 miles, and of sidings, 2.68 miles. The construction of this extension was paid for in $50,000.00 of first mortgage bonds, and $50,000.00 of capital stock, of which your company received $31,000.00 of first mortgage bonds, and $31,000.00 of capital stock in consideration of cash, equipment, steel rails, and other material furnished. The total capital stock of the Paragould Southeastern Ry. Co., is now $100,000.00, of which your company owns $56,000.00, and the total amount of first mortgage bonds issued is $100,000.00, of which your company owns $56,000.00, a controlling interest. All interest on first mortgage bonds of the Paragould Southeastern Ry. Co. has been paid promptly as it fell due.

The following figures from the annual report of Mr. W. C. Hasty, of Paragould, Ark., President of that company, giving the financial results from operation for the year ended June 30th, 1898, show that the extension of the line has greatly improved its earning power: Gross earnings, $34,950.19, increase over preceding year, $17,123.14; operating expenses, $19,277.32, increase over preceding year, $8,791.19; net earnings, $15,672.87, increase over preceding year, $8,331.95; accrued interest on bonds, accrued taxes, and all other payments charged against net earnings, $5,611.23, increase over preceding year, $2,388.04; surplus income, $10,061.64, increase over preceding year, $5,943.91.

The surplus was expended for land for additional facilities at Paragould, telegraph line from Paragould to Hornersville, additional equipment, etc.

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EXHIBIT L.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

JUNE 30TH, 1898.

Unaccrued interest on equipment trust notes (St. Charles Car Co., Series "X 1") $17,672 04

The amount charged to this account represents unaccrued interest on equipment trust notes (St. Charles Car Co., series "X 1"), which is included in the face of the notes. As the notes are paid the interest included therein will be credited to this account and charged to Equipment Trust Expenses.

EXHIBIT M.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30th, 1898.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total.	365,000	—	$36,500,000 00	$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT N.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1898.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Total. .	—	—	$30,000,000 00	$28,000,000 00	$28,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

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EXHIBIT O.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1898.

Total outstanding June 30th, 1897	$294,557 74
Add—	
St. Charles Car Company Trust, Series X 1, agreement dated December 27th, 1897, (covering deferred payments and interest) for 300 new box cars, 60,000 lbs. capacity	148,395 60
Total	$442,953 34
Deduct—	
Notes paid during fiscal year ended June 30th, 1898	107,212 14
Total outstanding June 30th, 1898, shown in detail below	$335,741 20

WHEN DUE.	St. L. Ark. & Tex. Ry.	St. L. S. W. Ry. Co.		Total.
	Series "A 37."	Series "A."	Series "X 1."	
Due prior to July 1st, 1898, extended	$ 53,912 58	—	—	$ 53,912 58
Due during year ended June 30th, 1899	23,272 58	$25,000 00	$29,679 12	77,951 70
" " " " " 30th, 1900	—	25,000 00	29,679 12	54,679 12
" " " " " 30th, 1901	—	25,000 00	29,679 12	54,679 12
" " " " " 30th, 1902	—	25,000 00	29,679 12	54,679 12
" " " " " 30th, 1903	—	25,000 00	14,839 56	39,839 56
Total	$77,185 16	$125,000 00	$133,556 04	$335,741 20
Average annual payment for five years	—	—	—	$ 67,148 24

During the fiscal year ended June 30th, 1898, your company purchased 300 new box cars, 60,000 pounds capacity, equipped with air brakes and the safety appliances required by law, 200 of which cost $536.00 each, and 100, $537.50 each, making the total cost of the 300 box cars $160,950.00. Twenty per cent. of the total cost, or $32,190.00 was paid in cash, and the balance, $128,760.00, with interest at 6 per cent. per annum ($19,635.00), was covered by sixty monthly notes, amounting to $2,473.26 each, the total of the principal and interest covered by these notes being $148,395.60. These notes are dated December 27th, 1897, and fall due on the 27th day of each month—the last note maturing December 27th, 1902.

Notwithstanding these additional equipment trust obligations, attention is called to the fact that the foregoing statement shows that the total amount of such obligations outstanding June 30th, 1898, is only $41,183.46 in excess of the total amount outstanding June 30th, 1897, which is the result of the large payments, aggregating $107,212.14, made during the fiscal year ended June 30th, 1898.

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EXHIBIT P.

Floating Debt—Entire System.

Accounts.	June 30, 1898.	June 30, 1897.	+ Increase, - Decrease, This year.
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	$ 337,639 47	$ 377,500 00	-$ 39,860 53
Interest on bonds, accrued—not due until November 1st	133,333 33	133,333 33	—
Taxes accrued to June 30th—not due until December 31st	64,381 07	62,096 30	+ 2,284 77
Hospital fund	1,345 24	4,360 66	- 3,015 42
	$ 536,699 11	$ 577,290 29	-$ 40,591 18
CURRENT—			
Audited vouchers unpaid	$ 557,718 35	$ 392,104 84	+$ 165,613 51
Audited pay rolls unpaid	279,007 50	253,802 40	+ 25,205 10
Interest on bonds—due and unpaid (unpresented coupons)	34,180 00	32,600 00	+ 1,580 00
Notes payable—due on demand	49,000 00	—	+ 49,000 00
	$ 919,905 85	$ 678,507 24	+$ 241,398 61
Total deferred and current liabilities	$1,456,604 96	$1,255,797 53	+$ 200,807 43
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$ 90,777 62	$ 62,468 15	+$ 28,309 47
Remittances in transit from agents and conductors	45,858 03	54,639 21	- 8,781 18
In hands of Paymaster	5,017 51	4,957 58	+ 59 93
Central Trust Co. of New York—to pay unpresented coupons	34,180 00	32,600 00	+ 1,580 00
On deposit with Brooklyn Trust Co., N.Y.	2,183 31	2,053 09	+ 130 22
	$ 178,016 47	$ 156,718 03	+$ 21,298 44
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 35,081 00	$ 34,066 64	+$ 1,014 36
Bills receivable	10,284 01	7,242 10	+ 3,041 91
U. S. Post Office Department	39,084 99	38,816 91	+ 268 08
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	158,098 55	25,862 86	+ 132,235 69
	$ 248,548 55	$ 111,988 51	+$ 136,560 04
ADVANCES TO SUNDRY AGENTS (to be accounted for)	$ 5,954 28	$ 3,576 20	+$ 2,378 08
PREPAID INSURANCE	$ 4,721 29	$ 4,650 63	+$ 70 66
SUPPLIES ON HAND—			
Shop supplies	$ 137,959 21	$ 93,391 48	+$ 44,567 73
Fuel	25,831 50	23,465 21	+ 2,366 29
Bridge and building material	62,318 64	52,646 86	+ 9,671 78
Cross ties	34,872 93	41,327 74	- 6,454 81
Steel rails—new	1,885 03	12,217 92	- 10,332 89
Second-hand rails	20,812 27	18,882 17	+ 1,930 10
Stationery stock	6,547 90	5,946 10	+ 601 80
War revenue stamps	1,085 00	—	+ 1,085 00
	$ 291,312 48	$ 247,877 48	+$ 43,435 00
Total current assets	$ 729,553 07	$ 524,810 85	+$ 203,742 22
FLOATING DEBT, or balance of deferred and current liabilities in excess of current assets	$ 728,051 89	$ 730,986 68	-$ 2,934 79
Less market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit K. page 24	74,987 37	39,740 94	+ 35,246 43
NET FLOATING DEBT, JUNE 30TH	$ 653,064 52	$ 691,245 74	-$ 38,181 22

The foregoing statement shows a decrease of $38,181.22 in the net floating debt June 30th, 1898, as compared with the net

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floating debt June 30th, 1897. The greater portion of this decrease is caused by the increase of $35,246.43 in the market value of other available assets, the floating debt or balance of deferred and other liabilities in excess of current assets being practically the same on June 30th, 1898, as on June 30th, 1897. The increase in the market value of other available assets is due to the acquisition in October, 1897, of $31,000.00 of capital stock, and $31,000.00 of first mortgage bonds of the Paragould South-eastern Ry. Co. (see Exhibit K, page 24), the present market value of which is estimated at $31,000.00; and to a slight advance in the market value of the other securities remaining in the treasury June 30th, 1898.

The item of "Deferred Liabilities" in the foregoing statement, includes the following liabilities, which are not due until several months after the close of the fiscal year ended June 30th, 1898:

Interest on bonds accrued, not due until November 1st, 1898,	$133,333 33
Taxes accrued to June 30th, 1898, not due until 1899	62,096 30
Total	$195,429 63

After deducting the total of these two items from the net floating debt, namely, $653,064.52, there remains only $457,634.89, the greater portion of which is covered by notes payable, aggregating $337,639.47, due on stated dates after July 1st, 1898, principally during the fall and winter months, when the earnings are the largest.

EXHIBIT Q.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.
Equipment replacement fund	$104,768 85	$84,720 00	$20,048 85
Donated town lot sales	5,849 75	5,656 00	193 75
Total	$110,618 60	$90,376 00	$20,242 60

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EXHIBIT R.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1898.

The following statement, considered in connection with the foregoing financial exhibits, furnishes in a condensed form an analysis of all resources, showing, also, how the same were appropriated, during the fiscal year ended June 30th, 1898:

RESOURCES.			
Cash balance July 1st, 1897			$ 62,468 15
Gross earnings from operation		$5,279,332 82	
Miscellaneous income		8,907 14	
Increase in equipment trust obligations:			
St. Charles Car Co., series X 1 — agreement dated Dec. 27th, 1897, notes issued to cover deferred payments on 300 new box cars	$148,395 60		
Less equipment trust obligations paid	107,212 14	41,183 46	
Increase in current liabilities		241,398 61	
Increase in miscellaneous accounts		20,242 60	5,591,064 63
			$5,653,532 78
APPROPRIATION OF RESOURCES.			
Operating expenses (including betterments)		$4,173,327 62	
Interest on bonds, taxes and all other payments charged against income		957,618 80	
Compromise settlement of suits, judgments, etc., *vs.* Receivers St. L., A. & T. Ry. and St. L. A. & T. Ry. in Texas,		12,320 08	
Increase in cost of road and equipment		158,828 48	
Increase in stocks and bonds owned: $31,000.00 of first mortgage bonds, and $31,000.00 capital stock of the Paragould Southeastern Ry. Co., acquired in October, '97, cost to company		26,937 50	
Increase in current assets (exclusive of cash in hands of Treasurer)		175,459 46	
Unaccrued interest on equipment trust notes (St. Charles Car Co., series X 1) included in face value of the notes that have not matured		17,672 04	
Decrease in deferred liabilities		40,591 18	5,562,755 16
Cash balance June 30th, 1898			$ 90,777 62

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TRAFFIC.

Freight Traffic.

Tonnage and Revenue—Entire System.

Item.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease	Per cent.
No. of tons carried . .	1,773,333	1,524,709	248,624	16.31	—	—
No. of tons carried one mile	358,109,737	325,472,192	32,637,545	10.03	—	—
Average distance haul of one ton (miles) . .	201.94	213.47	—	—	11.53	5.40
*Total freight revenue .	$4,138,932.01	$3,668,481.77	$470,450.24	12.82	—	—
*Average revenue per ton	$2.3340	$2.4060	—	—	$0.0720	2.99
*Average revenue per ton per mile	$0.0116	$0.0113	$0.0003	2.65	—	—

* Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

By referring to the foregoing table, it will be noted that the total number of tons carried during the fiscal year ended June 30th, 1898, increased 248,624 tons, or 16.31 per cent., and it is worthy of comment that the movement of this increased tonnage was accomplished by a much smaller increase in freight train mileage, viz.: 150,862 miles or 7.41 per cent. (See table on page 41.)

The number of tons carried one mile increased 32,637,545 miles, or 10.03 per cent.; the total freight revenue increased $470,450.24, or 12.82 per cent., and the average revenue per ton per mile increased $0.0003 or 2.65 per cent. The increase in the latter item is attributable to an increased movement of high class tonnage for the fiscal year, and is equivalent to a gain of $107,432.92 in gross revenue.

The average distance haul of one ton shows a decrease of 11.53 miles, or 5.40 per cent., and the average revenue per ton a decrease of $0.0720, or 2.99 per cent. These decreases are

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explained in a general way by the growth of local business along your lines, which increased the total tonnage handled, and the average revenue per ton per mile, but on account of the shorter distances transported, caused the decrease in the average distance haul of one ton, and the average revenue per ton shown in the foregoing table.

Following this will be found the usual table of classified tonnage, showing the number of tons of each commodity transported during the fiscal year ended June 30th, 1898, compared with the previous year. This table also shows the increase or decrease in the tonnage of each commodity, the per cent. thereof, and the relative percentage of each commodity to the total tonnage:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	798,092	45.01	709,664	46.54	88,428	12.46	—	—
Cotton	156,383	8.81	112,983	7.41	43,400	38.41	—	—
Cotton seed products	130,720	7.37	68,054	4.46	62,666	92.08	—	—
Grain	127,915	7.21	142,275	9.33	—	—	14,360	10.09
Flour	38,937	2.20	48,947	3.21	—	—	10,010	20.45
Other mill products	36,706	2.07	43,711	2.87	—	—	7,005	16.03
Hay	33,678	1.90	28,928	1.90	4,750	16.42	—	—
Tobacco	611	.03	407	.03	204	50.12	—	—
Vegetables	25,202	1.42	31,352	2.06	—	—	6,150	19.62
Live stock	65,562	3.70	54,988	3.61	10,574	19.23	—	—
Packing house products.	21,783	1.23	17,766	1.17	4,017	22.61	—	—
Merchandise	85,543	4.82	75,953	4.98	9,590	12.63	—	—
Coal (includ'g charcoal)	47,479	2.67	36,052	2.36	11,427	31.70	—	—
Oil	20,698	1.17	13,507	.88	7,191	53.24	—	—
Sugar	10,602	.60	9,220	.60	1,382	14.99	—	—
Agricultural implements	3,614	.20	3,424	.22	190	5.55	—	—
Household goods	9,504	.54	7,296	.48	2,208	30.26	—	—
Salt	8,455	.48	8,220	.54	235	2.86	—	—
Wine, liquors and beer	8,644	.49	7,737	.51	907	11.72	—	—
Miscellaneous	143,205	8.08	104,225	6.84	38,980	37.40	—	—
Total	1,773,333	100.00	1,524,709	100.00	286,149	—	37,525	—
Net increase					248,624	16.31	—	—

The substantial increase in the total tonnage transported of 248,624 tons, or 16.31 per cent., as shown in the foregoing table,

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is the result, with a few exceptions, of a general increase in all classes of freight transported.

Lumber shows an increase in the number of tons carried of 88,428 tons, or 12.46 per cent., and, as usual, constitutes nearly one-half of the total tonnage movement.

COTTON.

The good cotton crop of 1897-98 throughout the territory traversed by your lines is reflected in the increased tonnage of this commodity for the fiscal year ended June 30th, 1898, of 43,400 tons, or 38.41 per cent.

Following this will be found an interesting table containing information concerning the tonnage of cotton transported, and the revenue derived therefrom:

COTTON TONNAGE AND REVENUE.

Entire System.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Number of tons carried .	156,383	112,983	43,400	38.41	—	—
Number of bales carried	607,624	440,073	167,551	38.07	—	—
Average weight per bale (pounds)	515	513	2	.39	—	—
Total revenue from cotton	$810,656.38	$659,747.47	$150,908.91	22.87	—	—
Average revenue per bale	$1.33	$1.50	—	—	$.17	11.33
Per cent of cotton tonnage to total frt. tonnage	08.82	07.41	01.41	19.03	—	—
Per cent of cotton revenue to total frt. revenue	19.59	17.98	01.61	8.95	—	—

This table shows a material increase in the total number of bales handled during the fiscal year, and the total revenue therefrom, but a decrease in the average revenue per bale. This decrease is due to the relentless rate war waged between the steamship lines operating from Galveston, which necessitated a reduction in all rail rates, in order to meet the competition of the steamship lines.

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The very large increase in the tonnage of cotton seed products, namely, 62,666 tons, or 92.08 per cent., was caused primarily by the large cotton crop, and to the further fact that a larger percentage than usual of this product was hauled into the various points on your lines where oil mills are located, and converted into oil and other cotton seed products, a large share of which was reshipped via your lines.

The decrease in grain, flour and other mill products is attributable to the successful grain crop in Texas in the season of 1897. Heretofore the quantity of grain produced in Texas has not been sufficient for home consumption, and on that account large quantities of grain and grain products have been shipped into Texas from other states. Therefore, the increase in the amount of grain raised in Texas reduced the movement of grain over your line from other states into Texas. The movement of export grain via Galveston was also stopped in the spring of 1898 by the declaration of war with Spain, which contributed somewhat to the decrease in the tonnage of this commodity.

The decrease in the tonnage of vegetables of 6,150 tons or 19.62 per cent., is explained by the decreased tonnage of potatoes and other vegetables from Northern points to Texas. The watermelon crop in Southeast Missouri, and the fruit crop in Eastern Texas continued good as in the previous year, and a large share of these products was marketed via your lines.

All other commodities show a healthy increase for the fiscal year ended June 30th, 1898, over the preceding year, particularly live stock, coal and miscellaneous freight. The increase in miscellaneous freight of 38,980 tons, or 37.40 per cent., is especially gratifying, and indicates an increased movement of manufactured articles to points on and adjacent to your lines, which is a result of the generally improved business conditions.

The following tables show a subdivision of the information in the table described "Classification of Tonnage," on page 32,

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under "Tonnage Originating on this System," and "Tonnage Received from Connecting Roads:"

TONNAGE ORIGINATING ON THIS SYSTEM.

Commodities.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	Tons.	Per cent. of commodity total.	Tons.	Per cent. of commodity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	634,993	79.56	653,530	92.09	—	—	18,537	2.84
Cotton	144,414	92.35	104,700	92.67	39,714	37.93	—	—
Cotton seed products	111,633	85.40	57,547	84.56	54,086	93.99	—	—
Grain	44,609	34.87	43,567	30.62	1,042	2.39	—	—
Flour	11,632	29.87	7,582	15.49	4,050	53.42	—	—
Other mill products	11,704	31.89	20,424	46.73	—	—	8,720	42.69
Hay	17,915	53.19	15,264	52.77	2,651	17.37	—	—
Tobacco	10	1.64	1	.25	9	900.00	—	—
Vegetables	13,245	52.56	9,516	30.35	3,729	39.19	—	—
Live stock	42,069	64.17	37,219	67.69	4,850	13.03	—	—
Packing house products	733	3.37	865	4.87	—	—	132	15.26
Merchandise	33,618	39.30	34,114	44.91	—	—	496	1.45
Coal (includ'g charcoal)	15,781	33.24	12,480	34.62	3,301	26.45	—	—
Oil	5,962	28.80	2,198	16.27	3,764	171.25	—	—
Sugar	765	7.22	732	7.94	33	4.51	—	—
Agricultural implements	310	8.58	436	12.73	—	—	126	28.90
Household goods	4,184	44.02	1,974	27.06	2,210	111.96	—	—
Salt	271	3.21	140	1.70	131	93.57	—	—
Wine, liquors and beer	340	3.93	576	7.44	—	—	236	40.97
Miscellaneous	45,189	31.56	39,685	38.08	5,504	13.87	—	—
Total	1,139,377	64.25	1,042,550	68.38	96,827	9.29	—	—

TONNAGE RECEIVED FROM CONNECTING ROADS.

Commodities.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	Tons.	Per cent. of commodity total.	Tons.	Per cent. of commodity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	163,099	20.44	56,134	7.91	106,965	190.55	—	—
Cotton	11,969	7.65	8,283	7.33	3,686	44.50	—	—
Cotton seed products	19,087	14.60	10,507	15.44	8,580	81.66	—	—
Grain	83,306	65.13	98,708	69.38	—	—	15,402	15.60
Flour	27,305	70.13	41,365	84.51	—	—	14,060	33.99
Other mill products	25,002	68.11	23,287	53.27	1,715	7.36	—	—
Hay	15,763	46.81	13,664	47.23	2,099	15.36	—	—
Tobacco	601	98.36	406	99.75	195	48.03	—	—
Vegetables	11,957	47.44	21,836	69.65	—	—	9,879	45.24
Live stock	23,493	35.83	17,769	32.31	5,724	32.21	—	—
Packing house products	21,050	96.63	16,901	95.13	4,149	24.55	—	—
Merchandise	51,925	60.70	41,839	55.09	10,086	24.11	—	—
Coal (includ'g charcoal)	31,698	66.76	23,572	65.38	8,126	34.47	—	—
Oil	14,736	71.20	11,309	83.73	3,427	30.30	—	—
Sugar	9,837	92.78	8,488	92.06	1,349	15.89	—	—
Agricultural implements	3,304	91.42	2,988	87.27	316	10.58	—	—
Household goods	5,320	55.98	5,322	72.94	—	—	2	.04
Salt	8,184	96.79	8,080	98.30	104	1.29	—	—
Wine, liquors and beer	8,304	96.07	7,161	92.56	1,143	15.96	—	—
Miscellaneous	98,016	68.44	64,540	61.92	33,476	51.87	—	—
Total	633,956	35.75	482,159	31.62	151,797	31.48	—	—

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These tables will be found especially interesting, as showing the tonnage of each commodity originating on this system and received from connecting roads. It will be noted that the tonnage received from connecting roads during the current fiscal year forms 35.75 per cent. of the total tonnage transported, as against 31.62 per cent. for the preceding fiscal year.

New Industries.

A number of new industries were located on your lines during the fiscal year ended June 30th, 1898, the most important of which are the following:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

Coulter, Mo. (M. P. 9)—Slack barrel stave factory.

Wilson, Mo. (M. P. 12)—Saw mill.

Haines, Mo. (M. P. 52)—Saw mill.

Dexter, Mo.—Hub and spoke factory.

Piggott, Ark.—Saw mill.

Rector, Ark.—Cotton gin.

Gilkerson, Ark. (M. P. 132)—Saw mill.

Waldenberg, Ark. (M. P. 150)—Saw mill.

England, Ark.—Cotton gin.

Pine Bluff, Ark.—Cotton oil mill, with capacity of 1,200 tons of various products per annum.

Draughon, Ark. (M. P. 297)—Stave factory, with capacity of sixteen thousand staves per day.

Thornton, Ark.—Stave factory, with capacity of five or six cars per month.

Stamps, Ark.—Planing mill, with capacity of seven cars per day.

Shreveport, La.—Cotton compress and warehouse, with capacity of about one hundred and thirty-five thousand bales per annum.

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Shreveport. La.—Two wholesale grocery warehouses, with capacity of about three hundred cars each per annum, erected directly adjacent to your company's track.

Shreveport, La.—Oil storage and shipping station, erected by Waters-Pierce Oil Company, directly adjacent to your company's track, capacity about two hundred cars per annum.

Shreveport, La.—Cold storage and warehouse, erected directly adjacent to your company's track.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

Maud, Tex. (M. P. 437)—New 120-saw cotton gin.

Sulphur Springs, Tex.—Oil mill, with capacity of fifty tons per day.

Sulphur Springs, Tex.—Cotton compress, with capacity of fifteen hundred bales per day.

Ridgeway, Tex.—Two cotton gins, 120-saw and 210-saw respectively.

Greenville, Tex.—Mill for the manufacture of spokes and felloes.

Greenville, Tex.—The roller mill which was destroyed by fire during the preceding fiscal year has been rebuilt, and the capacity increased to two hundred barrels per day.

Greenville, Tex.—Cotton compress, with a capacity of fifteen hundred bales per day.

Whitewright, Tex.—Flouring mill, with capacity of one hundred barrels per day.

Bell, Tex. (M. P. 498)—Saw mill.

Corsicana, Tex.—The oil industry at Corsicana has developed rapidly during the current fiscal year. In the Sixth Annual Report, page 39, eleven flowing wells were reported; at the date of this report there are two hundred and sixty-three producing wells, with an output of twenty-six hundred barrels per day. A refinery is being erected at a cost of $250,000.00, and storage

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tanks with a capacity of two hundred thousand barrels have been constructed, in which to store the crude oil until the refinery is ready for operation.

TYLER SOUTHEASTERN RAILWAY COMPANY.

The vegetable, fruit, and melon industry has shown a marked development during the current fiscal year, in Smith and Cherokee counties, about two thousand acres, exclusive of orchards, being used in the cultivation of these products.

Passenger Traffic.

Passengers Carried and Revenue—Entire System.

Item.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	828,538	803,644	24,894	3.10	—	—
Number of passengers carried one mile	37,153,691	33,214,295	3,939,396	11.86	—	—
Average distance one passenger carried (miles)	44.84	41.33	3.51	8.49	—	—
*Total passenger revenue . . .	$854,121.45	$785,018.07	$69,103.38	8.80	—	—
*Average revenue per passenger	$1.0309	$0.9768	$0.0541	5.54	—	—
*Average revenue per passenger per mile	$0.0230	$0.0236	—	—	$0.0006	2.54

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

As shown in the foregoing table the number of passengers carried during the fiscal year ended June 30th, 1898, increased 24,894 or 3.10 per cent. over the preceding year, and the total passenger revenue increased $69,103.38, or 8.80 per cent.

On the other hand, the average revenue per passenger per mile decreased $0.0006, or 2.54 per cent., which is partially explained as follows: During the fall of 1897 a yellow fever epidemic prevailed, and the strict quarantine regulations resulting therefrom, made it necessary to handle passengers to and from points in the East and Southeast via Cairo, causing a longer haul than via the natural route, Fair Oaks, without a correspond-

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ing increase in revenue. An unusual number of passengers were handled to Southeastern points during the fiscal year at cheap excursion rates, which materially increased the total number of passengers carried, and the total passenger revenue, but decreased the average revenue per passenger per mile.

The general passenger movement is fully analyzed in the following table for the fiscal year ended June 30th, 1898, compared with the preceding fiscal year:

CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
PASSENGERS CARRIED—						
Local tickets	638,189	623,257	14,932	2.40	—	—
Cash fares	108,852	113,950	—	—	5,098	4.47
Home coupon tickets	43,491	32,730	10,761	32.88	—	—
Foreign coupon tickets	38,006	33,707	4,299	12.75	—	—
Total	828,538	803,644	24,894	3.10	—	—
PASSENGERS CARRIED ONE MILE—						
Local tickets	19,228,049	18,539,333	688,716	3.71	—	—
Cash fares	1,325,766	1,440,882	—	—	115,116	7.99
Home coupon tickets	7,213,035	5,758,089	1,454,946	25.27	—	—
Foreign coupon tickets	9,386,841	7,475,991	1,910,850	25.56	—	—
Total	37,153,691	33,214,295	3,939,396	11.86	—	—
PASSENGER REVENUE—						
Local tickets	$505,432 81	$478,401 15	$27,031 66	5.65	—	—
Cash fares	41,301 78	44,340 86	—	—	$3,039 08	6.85
Home coupon tickets	126,884 20	113,042 99	13,841 21	12.24	—	—
Foreign coupon tickets	180,502 66	149,233 07	31,269 59	20.95	—	—
Total	$854,121 45	$785,018 07	$69,103 38	8.80	—	—
REVENUE PER PASSENGER—						
Local tickets	$0.7920	$0.7676	$0.0244	3.18	—	—
Cash fares	0.3794	0.3891	—	—	$0.0097	2.49
Home coupon tickets	2.9175	3.4538	—	—	0.5363	15.53
Foreign coupon tickets	4.7493	4.4274	0.3219	7.27	—	—
Total	$1.0309	$0.9768	$0.0541	5.54	—	—
REVENUE PER PASSENGER PER MILE—						
Local tickets	$0.0263	$0.0258	$0.0005	1.94	—	—
Cash fares	0.0312	0.0308	0.0004	1.30	—	—
Home coupon tickets	0.0176	0.0196	—	—	$0.0020	10.20
Foreign coupon tickets	0.0192	0.0200	—	—	0.0008	4.00
Total	$0.0230	$0.0236	—	—	$0.0006	2.54

NOTE.—The foregoing results are based on actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

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Mail Traffic.

Mail revenue fiscal year ended June 30th, 1898	$146,540 82
Mail revenue fiscal year ended June 30th, 1897	146,231 84
Increase.	$ 308 98
Per cent. of increase.	.21

The small increase in mail revenue is due to minor adjustments, etc., the fixed compensation per annum being the same during the year ended June 30th, 1898, as during the preceding fiscal year.

In the spring of 1898 the Government weighed the mails on all the Arkansas and Texas routes, comprising the entire system (with the exception of the Delta and New Madrid branches), and although advice has not yet been received from the Government as to the amount of compensation to be allowed under the new weights, the statements giving the weights obtained last spring show large increases, and the result will be a substantial increase in the mail revenue of your company. According to the United States Post Office Department regulations, the new rates of compensation, based upon the weights obtained in the spring of 1898, do not take effect until July 1st, 1898.

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1898-97.

FREIGHT.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year	5,148	4,353	795	18.26	—	—
Average number of freight cars in service during the year	4,593	4,392	201	4.58	—	—
Number of miles run by all freight trains (including mixed trains)	2,187,854	2,036,992	150,862	7.41	—	—
Number of miles run by freight cars on this line—						
Loaded	31,261,518	29,029,185	2,232,333	7.69	—	—
Empty	12,317,032	11,374,066	942,966	8.29	—	—
All	43,578,550	40,403,251	3,175,299	7.86	—	—
Home	20,195,428	19,277,984	917,444	4.76	—	—
Foreign	23,383,122	21,125,267	2,257,855	10.69	—	—
Number of miles run by home cars on foreign lines	11,945,326	11,707,875	237,451	2.03	—	—
Percentage of empty car mileage to total car mileage	28.26	28.15	.11	.39	—	—
Average number of cars in each freight train—						
Loaded	14.29	14.25	.04	.28	—	—
Empty	5.63	5.58	.05	.90	—	—
All	19.92	19.83	.09	.45	—	—
Average load—						
Per loaded car (tons)	11.46	11.21	.25	2.23	—	—
Per train (tons)	163.68	159.73	3.95	2.47	—	—
Average number of miles run per car per day—						
On this line—home	25	24	1	4.17	—	—
On this line—foreign	23	26	—	—	3	11.54
On foreign lines—home	18	20	—	—	2	10.00
PASSENGER.						
Total number of passenger cars owned (all classes) at close of the year	94	99	—	—	5	5.05
Average number of passenger cars in service during the year	95	97	—	—	2	2.06
Number of miles run by pass. trains (not includ. mixed trains)	1,459,200	1,465,147	—	—	5,947	.41
Number of miles run by passenger cars on this line—						
Home	5,144,441	4,964,136	180,305	3.63	—	—
Foreign	1,138,049	1,216,181	—	—	78,132	6.42
All	6,282,490	6,180,317	102,173	1.65	—	—
Average number of cars in each passenger train	4.10	4.01	.09	2.24	—	—
Average number of miles run per car per day—						
Home	164	156	8	5.13	—	—
Foreign	111	145	—	—	34	23.45

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FREIGHT.

During the current fiscal year your company purchased 300 new box cars, 60,000 pounds capacity, which were delivered during October and November, 1897, and leased 500 stable cars from the Mather Humane Stock Transportation Company, which were delivered in April, May and June, 1898. These additions were the principal causes of the increase of 795 cars in the number of freight cars owned and leased, as shown in the first item of the table on the preceding page. However, as these additional cars were used only a portion of the year, the average number of cars in service during the year increased only 201, or 4.58 per cent.

The total freight train mileage increased 7.41 per cent., the loaded car mileage 7.69 per cent., and the total car mileage 7.86 per cent., while the total tonnage transported increased 16.31 per cent. The fact that the per cent. of increases in the train and loaded car mileage is so much less than the per cent. of increase in total tonnage transported is the result of the increase of 2.23 per cent. in the average load per loaded car, and 2.47 per cent. in the average load per train.

As the average number of your company's freight cars in service during the year increased only 4.58 per cent., and the average number of miles run per car per day by your company's cars on this line increased only 4.17 per cent., it was necessary to utilize freight cars of other companies to transport the greater portion of the heavy increase in freight traffic, which resulted in an increase of 10.69 per cent. in the mileage of foreign freight cars on your lines.

The following table shows the amount earned by St. Louis Southwestern Railway System freight cars on foreign roads, and the amount paid for mileage of foreign cars on your lines during

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the year ended June 30th, 1898, compared with the year ended June 30th, 1897:

AMOUNTS PAID AND RECEIVED FOR MILEAGE OF FREIGHT CARS.

DESCRIPTION.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.
Amount earned by foreign freight cars on St. L. S. W. Ry.—Entire system	$153,555 22	$136,719 47	$16,835 75	12.31
Amount earned by St. L. S. W. Ry. System freight cars on foreign roads. . . .	73,395 89	71,033 97	2,361 92	3.33
Net balance due foreign roads	$80,159 33	$65,685 50	$14,473 83	22.04

The amount earned by foreign cars on your lines shows an increase of $16,835.75, or 12.31 per cent., which is due in a large measure to the increase in mileage of refrigerator cars and stable cars belonging to private car lines. The increase in the number of miles run by foreign freight cars on your lines is 10.69 per cent. The per cent. of increase in the amount earned is greater than the per cent. of increase in the mileage made by foreign cars on your lines, which is due to the fact that a large proportion of this increase is caused by the increase in the mileage of refrigerator cars for the use of which higher rates of mileage are paid than for ordinary freight cars. It is gratifying to know that the classes of business handled in stable cars and refrigerator cars have increased sufficiently to cause the large increases in the mileage of such cars.

The amount earned by St. Louis Southwestern Railway System cars on foreign lines during the current fiscal year shows an increase of $2,631.92, or 3.33 per cent., which compares favorably with the increase of 2.03 per cent. in the number of miles run by home cars on foreign lines.

PASSENGER.

During the current fiscal year the number of passenger cars owned was reduced, principally by sales to other railroads, from

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ninety-nine to ninety-four, the reduction in the average number of passenger cars in service during the year being only two, or 2.06 per cent. The increase of 3.63 per cent. in the mileage of home cars is due to the number of excursions run, in which home cars are used almost exclusively, and the decrease of 6.42 per cent. in the mileage of foreign cars on this line is caused by using a smaller number of foreign cars during the current fiscal year than during the preceding fiscal year.

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MAINTENANCE OF WAY.

Road Department.

Character of Rail in Main Track, June 30th, 1898.

Location.	75-lb. Steel. Track miles.	56-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.				
Main line	45.27	372.73	—	418.00
New Madrid branch	—	—	5.70	5.70
Delta branch	—	51.40	—	51.40
Little Rock branch	—	41.70	—	41.70
Magnolia branch	—	.02	6.38	6.40
Shreveport branch	—	59.50	—	59.50
Total	45.27	525.35	12.08	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Main line	—	285.92	18.68	304.60
Sherman branch	—	109.90	—	109.90
Ft. Worth branch	—	97.20	—	97.20
Hillsboro branch	—	40.00	—	40.00
Total	—	533.02	18.68	551.70
TYLER SOUTHEASTERN RY. CO.—				
Main line	—	.17	88.43	88.60
ENTIRE SYSTEM, JUNE 30th, 1898	45.27	1,058.54	119.19	1,223.00
ENTIRE SYSTEM, JUNE 30th, 1897	23.86	1,062.11	137.03	1,223.00
Increase, this year	21.41	—	—	—
Decrease, this year	—	3.57	17.84	—

The following table contains a summary of the new steel rail, weighing 75 pounds to the yard (the standard heretofore adopted), purchased and placed in main track and leads to side tracks, to

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June 30th, 1898, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . .	1010 $\frac{1900}{2240}$	8.58
During fiscal year ended June 30th, 1896 . .	2120 $\frac{1440}{2240}$	17.99
During fiscal year ended June 30th, 1897 . .	301 $\frac{1710}{2240}$	2.56
During fiscal year ended June 30th, 1898 . .	2089 $\frac{1290}{2240}$	17.73
Total purchased	5522 $\frac{570}{2240}$	46.86
PLACED IN TRACK—		
During fiscal year ended June 30th, 1895 . .	522 $\frac{1620}{2240}$	4.43
During fiscal year ended June 30th, 1896 . .	1069 $\frac{1815}{2240}$	9.08
During fiscal year ended June 30th, 1897 . .	1272 $\frac{1848}{2240}$	10.80
During fiscal year ended June 30th, 1898 . .	2557 $\frac{925}{2240}$	21.70
Total placed in track	5422 $\frac{1395}{2240}$	46.01
Balance on hand June 30th, 1898	99 $\frac{1415}{2240}$	.85

Especial attention is called to the fact that during the fiscal year ended June 30th, 1898, a total of 21.70 track miles of standard 75-pound rail were laid, making a total of 46.01 track miles of that class of rail in the track at the close of the fiscal year. This rail was laid between mile posts 274 and 297 on the main line in Arkansas. Wherever 75-pound steel rail has been laid the grade has been reduced to 1 per cent.

The difference between the value of the new standard 75-pound steel rail put in track and the value of the old 56-pound rail thereby released or taken out of track, and the cost of labor connected therewith, were charged to operating expenses, maintenance of way, and were not included in the statement of betterments and extraordinary expenses on page 17, although the track has been greatly improved by putting in the heavier rail.

Nearly all of the 56-pound rail replaced by the standard 75-pound steel rail laid during the current fiscal year, was used to replace 35-pound rail on the main line in Texas, south of Waco,

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as will be seen by the decrease of 17.84 track miles of 35-pound steel, shown in table headed "Character of rail in main track June 30th, 1898," page 45.

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1898.

DESCRIPTION.	Ballasted this year. Track miles.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	3.84	—	3.84
Gravel and sand	3.00	217.04	—	217.04
Cinders	—	19.32	—	19.32
Natural soil and length of bridges and trestles	—	—	342.50	342.50
Total	3.00	240.20	342.50	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	2.00	91.80	—	91.80
Gravel and sand	—	132.95	—	132.95
Cinders	.11	25.69	—	25.69
Natural soil and length of bridges and trestles	—	—	301.26	301.26
Total	2.11	250.44	301.26	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	.28	.34	—	.34
Gravel and sand	1.42	1.42	—	1.42
Cinders	.29	1.28	—	1.28
Natural soil and length of bridges and trestles	—	—	85.56	85.56
Total	1.99	3.04	85.56	88.60
ENTIRE SYSTEM—				
Rock	2.28	95.98	—	95.98
Gravel and sand	4.42	351.41	—	351.41
Cinders	.40	46.29	—	46.29
Natural soil and length of bridges and trestles	—	—	729.32	729.32
Total	7.10	493.68	729.32	1,223.00

Under the heading "Ballasted this year," the figures cover track on which absolutely new ballast has been placed. The work of repairing and re-ballasting track which has been

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previously ballasted is not included therein, although much work of that character has been done.

FENCING ON RIGHT OF WAY, JUNE 30TH, 1898.

LOCATION.	Linear miles of fence.	
	Built this year.	Total June 30, 1898.
St. Louis Southwestern Ry. Co.	13.90	321.87
St. Louis Southwestern Ry. Co. of Texas . .	142.65	461.71
Tyler Southeastern Ry. Co.	—	.45
Entire system	156.55	784.03

The 13.90 miles of fence built this year on the line of the St. Louis Southwestern Railway were constructed by company forces, using the standard heretofore adopted, which consists of panels of eight feet, seven barbed wires, and a board next to the top wire, at a cost of $2,713.90, or an average of $195.24 per linear mile of fence.

The greater portion of the 142.65 miles of fence built this year on the line of the St. Louis Southwestern Railway of Texas was constructed between Corsicana and Tyler, under contract with the I. L. Ellwood Manufacturing Co.; the balance consisted of fencing erected by company forces at various points where most needed, the total cost being $14,488.09, or an average of $101.56 per linear mile of fence. The standard heretofore adopted, consisting of panels of sixteen feet and four strands of barbed wire, was used, which will account for the average cost per linear mile of fence being less than on the St. Louis Southwestern Railway, on which a more expensive standard is used.

During the fiscal year ended June 30th, 1898, the amount paid in settlement for claims for stock killed and injured by trains decreased $10,857.51, or 17.02 per cent. as compared with the preceding fiscal year, while there was an increase of 4.14 per cent. in the total train mileage. This illustrates very forcibly

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the importance of continuing the work of fencing the track as rapidly as possible until the entire line has been fenced.

The table on the following page contains a comparison of the most important work of maintenance and improvements in the Road Department during the current fiscal year compared with the preceding fiscal year for each company separately, and for the entire system:

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Comparative Statement of Maintenance and Improvements in Road Department, During Years ended June 30th, 1898-97.

Character of Work.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. E. Ry. Co.		Entire System.	
	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.
Miles of track ditched by plow	52.8	44.0	12.9	18.9	—	—	65.7	62.9
Miles of track ballasted	3.0	18.5	2.1	5.5	2.0	—	7.1	24.0
Miles of track laid with 75-lb. steel	21.7	10.8	—	—	—	—	21.7	10.8
Miles of track laid and relaid with 56-lb. steel	4.2	4.3	20.6	10.1	.1	.1	24.9	14.5
Miles of track laid and relaid with 35-lb. steel	4.4	2.1	1.9	1.7	2.0	1.0	8.3	4.8
Miles of new saw mill spurs, private and side tracks	4.6	6.1	2.5	4.4	.6	.5	7.7	11.0
Miles of old side tracks taken up	2.1	3.3	2.1	1.2	1.2	.3	5.4	4.8
Number of cross-ties placed in track	387,216	448,520	269,006	280,698	29,160	43,586	685,382	772,804
Sets of switch ties placed in track	130	101	129	81	3	7	262	189

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The table on the preceding page shows that during the current fiscal year the track has been fully maintained, and the general condition thereof substantially improved. Especial attention is called to the 65.7 miles of track ditched by the plow, and to the 21.7 miles of track laid with 75-pound steel rail.

Besides the work included in the foregoing table, other important work has been performed, such as widening narrow gauge embankments and cuts to standard width, reduction of grades, raising track where subject to overflow, etc.

The successful resistance of the high stages of water in the Mississippi river during the current fiscal year affords a practical demonstration of the beneficial results derived from the work of raising the track and otherwise improving the condition thereof in the districts subject to overflow. In January, 1898, there was a rise in the Mississippi river, the gauge at Cairo, Illinois, registering 44.3 feet above low water, and in April, 1898, another rise was experienced, in which the Cairo gauge registered 49.8 feet. Notwithstanding this high stage of water, which in former years would have caused a temporary abandonment of a portion of the track, no interruptions to traffic were caused in either instance, as all trains went through with very little delay, not a single car was held back nor diverted, and no casualty of any importance resulted.

From May 10th to 20th, 1898, the track in Arkansas on the Little Rock Branch, between Altheimer and England, and on the main line between Wabbaseca and Altheimer, was submerged by an overflow of the Arkansas river. During that period the regular passenger trains and two freight trains carrying live stock were detoured via the Little Rock and Memphis and the St. Louis, Iron Mountain & Southern Railways, but all other traffic was handled without inconvenience. The overflow in this district was unexpected, and the track will be raised and improved to prevent similar overflows in future as fast as the revenue of your company will justify the expenditure. The principal portion of the $22,362.37 expended in protecting property and

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repairing damages caused by high water (see page 20) was in connection with this overflow of the Arkansas river.

Bridge and Building Department.

The work of maintenance and renewals of bridges, trestles and other structures has been steadily carried on during the fiscal year ended June 30th, 1898. The following table furnishes the location and description of all permanent spans on June 30th, 1898:

Bridges—Statement of Permanent Spans June 30th, 1898.

Location.	Mile post.*	No. of spans.	Length, each.	Total length.	Kind of structure.	Class.†	Year built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss	A	1890
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,196	—	—	—

*Note.—Location of mile posts: without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.

Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.

Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.

Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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The drawspan which was erected across Red river at mile-post 397, main line in Arkansas, during the original construction of the road, being too light to safely carry the heavy locomotives hereafter to be placed in service, contract was let during the current fiscal year for the necessary beams, angles, etc., to strengthen it. This work is now well under way, and will be completed during the next fiscal year.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1898.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	26,849	5.08
Jonesboro section	33,995	6.44
Pine Bluff section	46,521	8.81
Delta branch	6,370	1.21
Little Rock branch	4,106	.78
Magnolia branch	1,167	.22
Shreveport branch	4,812	.91
Total	125,146	23.70
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	35,694	6.76
Tyler section	29,988	5.68
Waco section	4,344	.82
Ft. Worth branch	19,092	3.62
Sherman branch	19,828	3.76
Hillsboro branch	4,628	.87
Total	113,574	21.51
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,412	2.54
ENTIRE SYSTEM, June 30th, 1898	252,132	47.75
ENTIRE SYSTEM, June 30th, 1897	254,387	48.18
Decrease, this year	2,255	.43

The decrease of 2,255 linear feet or .43 of a mile in total length of trestle bridging during the current fiscal year is the result of the continuation of the policy of filling up unnecessary trestles, and substituting culverts therefor. During the current fiscal year the trestles have been fully maintained. In renewing trestles cedar piling has been used wherever the grade lines have been fully established.

The following tables contain a summary, by roads, of the work of renewals and improvements (embracing completed structures

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only) in the Bridge and Building Department for the fiscal year ended June 30th, 1898:

RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1898.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
Arkansas river protection, M. P. 261 near Rob Roy, Ark.			$21,458 59
New wooden trestles	16,191	Linear feet	67,083 53
Cast iron double culvert	54	Linear feet	396 14
Wrought iron cylinder culvert	1		184 35
Double tile drains	32	Linear feet	98 03
Single tile drains	280	Linear feet	557 74
Wire fence	13	Miles, 4,740 ft. of fence	2,713 90
Farm gates	28		120 69
Yard fence	288	Linear feet	37 59
Station platforms (gravel)	42,766	Square feet	980 03
Station platforms (wood)	3,376	Square feet	307 30
Cotton platforms (wood)	16,864	Square feet	991 21
Overhead bridge at Gilkerson, Ark			362 67
Station buildings	7		3,822 47
Station buildings (extensions)	4		2,691 83
Water closets	8		1,030 50
Station coal bins	10		308 46
Stock pens	7		756 41
Track scales	1		755 46
Cattle guards (wooden standard)	68		2,035 98
Cattle guards (steel)	49		1,659 00
Oil house	1		1,178 89
Tool house	1		90 17
Turn-table (wood)	1		354 92
Cinder pit	1		266 40
Car inspector's house	1		436 30
Water tanks	2		2,664 88
New water station at Bearden, Ark	1		2,164 89
Well pit	1		828 00
Well houses	2		494 98
Hose cart houses	5		123 75
Sewerage system at Pine Bluff shops			1,806 07
Timber wall to protect track	3,240	Square feet	105 56
Mail cranes	4		58 69
Total, fiscal year ended June 30th, 1898			$118,925 38
Total, fiscal year ended June 30th, 1897			136,581 32
Decrease this year			$ 17,655 94

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RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
Howe truss span across Elm Fork cut-off	118	Linear feet	$ 3,266 97
New wooden trestles	8,038	Linear feet	33,472 70
Culverts (iron)	208	Linear feet	1,537 40
Double tile drain	105	Linear feet	567 57
Single tile drain	504	Linear feet	1,029 51
Wire fence	142	Miles, 3,333 ft. of fence	14,488 09
Farm gates	218		1,407 86
Section house fence and walks			39 55
Woven wire fence at Tyler, Texas	8,500	Feet of fence	367 94
Station platforms (wood)	13,704	Square feet	992 59
Station platforms (gravel)	39,834	Square feet	1,205 90
Cotton platforms	30,120	Square feet	1,716 79
Cotton platform fence	496	Linear feet	112 01
Coal storage bin at Texarkana	1		834 98
Cattle guards (wooden standard)	48		1,226 44
Cattle guards (steel)	78		2,503 37
Stock pens	10		3,062 40
Saw-dust bins	3		80 38
Highway bridge	1		53 34
Station buildings (new, less insurance)	1		64 62
Station buildings (extensions)	5		5,543 23
New joint union passenger depot at Corsicana, Texas (½ cost)			7,502 52
Water closets	7		590 54
Station coal bins	4		139 80
Railroad crossing, watch house and gate	1		169 52
Train signal	1		22 39
Cinder pit	1		357 53
Car inspector's house	1		128 71
Sand houses	2		262 75
Tool houses	6		116 56
Road master's office (extension)	1		77 62
Hand car house	1		45 34
Paint shop (extension)	1		114 60
Warning signs	10		68 90
Water stations, tanks and tank frames	4		4,388 67
Wells	5		1,538 01
Cisterns	2		468 13
Water station coal bins	2		148 40
Pump houses	2		264 67
Well houses	1		11 16
Cistern houses	1		17 75
Excavations for additional water supply			4,763 81
Sewerage at Tyler, Tex.	224	Linear feet	69 72
Water car tubs	11		394 92
Total, fiscal year ended June 30th, 1898			$ 95,235 66
Total, fiscal year ended June 30th, 1897			89,209 20
Increase this year			$ 6,026 46

TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	1,900	Linear feet	$ 8,050 91
Cotton platforms	1,088	Square feet	76 08
Cattle guards (wooden standard)	5		90 54
Cattle guards (steel)	2		73 25
Stock pens	1		139 36
Station coal bins	4		53 58
Mail cranes	2		20 86
Total, fiscal year ended June 30th, 1898			$ 8,504 58
Total, fiscal year ended June 30th, 1897			3,683 91
Increase this year			$ 4,820 67

ENTIRE SYSTEM.	
Total, fiscal year ended June 30th, 1898	$222,665 62
Total, fiscal year ended June 30th, 1897	229,474 43
Decrease this year	$ 6,808 81

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During the current fiscal year the work of maintenance has been fully kept up by the bridge and building department and many valuable improvements have been made, as may be seen by an examination of the foregoing tables.

The replacement of plank station platforms by gravel platforms has been continued during the current fiscal year; 42,766 square feet of gravel platform having been constructed on the line of the St. Louis Southwestern Railway Company, and 39,834 square feet on the line of the St. Louis Southwestern Railway Company of Texas during the year ended June 30th, 1898.

Since the completion of the new water system at the company shops at Pine Bluff, Arkansas, several incipient fires have been handled and extinguished with practically no loss or damage to company property, thus proving the efficiency of this water system for the protection of the property of the company from fire. The sanitary sewerage system at the company shops at Pine Bluff has also been completed, which has added greatly to the healthfulness of this important division terminal.

The reservoirs at Mt. Pleasant and Hubbard City were excavated and cleaned out to increase their capacity, and a second pond was constructed at Commerce, which will largely increase the water supply in Texas, which at times has been inadequate. The total cost of the improvements at these three points was $4,763.81.

The threatening condition of the Arkansas river at the point at which the main line crosses it (mile post 261 near Rob Roy) made it necessary to mattress and revet the bank on the north shore. This work was successfully accomplished during the current fiscal year at a cost of $21,458.59, and although there has been extreme high water in the Arkansas river since this work has been completed, the caving of the bank has entirely stopped.

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Engineering Department.

During the fiscal year ended June 30th, 1898, designs for various structures, improvement of grade lines and alignments, terminal yard plans, station facilities, water service systems, improvement of river crossings, etc., have been completed, and form valuable additions to the permanent records of this department.

IMPORTANT ENGINEERING WORK PERFORMED.

The following engineering work has been performed during the current fiscal year, in addition to that mentioned elsewhere in this report in connection with improvements and maintenance of the road and bridge and building departments:

St. Louis Southwestern Railway Company.

SECTION.	CHARACTER OF WORK PERFORMED.
Bird's Point	Improvement in St. John's bayou bottom, miles 19 to 26, inclusive, main line in Missouri: In this bottom the track has heretofore been subject to overflow, but during the current fiscal year the embankments have been widened, the track raised and ballasted, and the trestles adjusted to the new grade lines. Trestle No. 39, and 400 feet of trestle No. 41 have been filled in. Trestles Nos. 37, 38, and 40, have each been extended, the total extension of these three trestles being 400 feet. The track in this bottom is now of a sufficient height to prevent overflow except when the water in the Mississippi river registers higher than 49.3 feet above low water mark on the gauge at Cairo, Illinois.
Pine Bluff	New Steel: Corrected grade lines have been established, the embankments are being widened, and the roadbed otherwise prepared for laying new 75-pound steel rail between mile posts 269 and 279 on the main line in Arkansas. Revision of grade on Kingsland hill, miles 300 to 302, inclusive: The grade on this hill has been reduced from 69.7 feet to 52.8 feet per mile compensation for curvature. The curvature has been reduced from 249° 55′ to 62° 14′, the maximum degree of curvature being reduced from 5° to 4°. Four curves were thrown out entirely.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—*Continued.*

PINE BLUFF	Increased yard facilities at Stamps, Arkansas, mile post 384: In order to accommodate the additional business interchanged with the Louisiana & Arkansas Railroad at Stamps, a complete passing track, 3,950 feet long has been put in, with track scales located thereon, and a cross-over connection on the main track near the scales. The loading track for the Bodcaw Lumber Company has also been extended 380 feet to handle the increased business.
SHREVEPORT	Additional yard facilities at Shreveport, La.: The increased business at this point has made it necessary to construct new tracks, and to revise and extend the old tracks. Plans for these improvements were drawn, and the work was well under way at the close of the current fiscal year.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK PERFORMED.
TEXARKANA	Enlargement and revision of the yard at Mt. Pleasant, Texas, mile post 479: A new design for enlarging and revising the yard at this point has been planned, and the grading has been completed preparatory to laying the tracks. Plans for improving the drainage of the yard have also been approved, and the work will be commenced within the next few months. A "Y" track 1,385 feet long, connecting the main line and Sherman Branch, has been constructed. Motive Power Yard at Tyler, Texas, mile post 546: The general design for the construction of this yard has been continued during the current fiscal year. A good substantial 20 stall roundhouse, a two-story brick store-room and office building, a 66 foot steel turntable, a large shed for repairing cars, a high pressure water tank, and additional tracks for the repair yard, have been commenced, and were in course of construction at the close of the current fiscal year.
FORT WORTH	Improvements at Commerce, Texas, mile post C-536: Additional ground has been purchased, and another and stronger dam constructed, and the pond excavated, more than doubling the supply for water capacity at this station.

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MOTIVE POWER AND CAR DEPARTMENT.

Complete information showing your company's equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year compared with the preceding fiscal year, will be found in the tables immediately following:

Statement of Equipment—Entire System.

Class.	On hand June 30, 1897.	Changes during year.					On hand June 30, 1898.
		Purchased.	Built and rebuilt.	Leased.	Destroyed.	Sold.	
Locomotives—							
Standard gauge . . .	134	—	—	—	—	4	130
Narrow gauge	2	—	—	—	—	2	—
Total	136	—	—	—	—	6	130
Passenger cars—							
Official	4	—	—	—	—	1	3
Chair	9	—	—	—	—	—	9
Coaches	52	—	1	—	—	3	50
Combination	3	—	—	—	—	1	2
Baggage and express.	8	—	—	—	—	—	8
Mail and express . . .	19	—	2	—	2	1	18
Mail	4	—	—	—	—	—	4
Total	99	—	3	—	2	6	94
Freight cars—							
Refrigerator	25	—	—	—	—	—	25
Furniture	125	—	31	—	6	—	150
Caboose	72	—	1	—	—	2	71
Box	2,538	300	57	—	23	10	2,862
Stock	295	—	3	500	14	—	784
Flat	773	—	18	—	21	44	726
Tank	—	—	4	—	—	—	4
Coal	501	—	7	—	6	2	500
Cinder cars	11	—	—	—	—	—	11
Derricks	5	—	2	—	—	—	7
Steam shovels	2	—	—	—	—	—	2
Ditching plow	1	—	—	—	—	—	1
Plow cars	1	—	—	—	—	—	1
Pile driver cars	4	—	—	—	—	—	4
Total	4,353	300	123	500	70	58	5,148

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Statement of New Equipment Purchased and Equipment Built and Rebuilt at Company Shops.

Year ended June 30th, 1898.

Class of Equipment.	New Equipment purchased.		Additional equipment built, charged to equipment account (New).		*Equipment rebuilt to replace cars wrecked and destroyed and condemned equipment put in service.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Coaches	—	—	—	—	1	$ 3,944 53	1	$ 3,944 53
Mail and express cars	—	—	—	—	2	5,534 05	2	5,534 05
Furniture cars	—	—	—	—	31	17,555 70	31	17,555 70
Box cars	300	$160,147 35	—	—	57	29,968 31	357	190,115 66
Stock cars	—	—	—	—	3	1,292 07	3	1,292 07
Coal cars	—	—	—	—	7	2,858 73	7	2,858 73
Flat cars	—	—	—	—	18	5,562 60	18	5,562 60
Tank cars	—	—	4	$3,125 74	—	—	4	3,125 74
Cabooses	—	—	—	—	1	481 11	1	481 11
Derricks	—	—	—	—	2	350 73	2	350 73
Total	300	$160,147 35	4	$3,125 74	122	$67,547 83	426	$230,820 92

* The cost of equipment rebuilt to the extent of the value of same at time of destruction, according to M. C. B. rules, has been charged to "Equipment Replacement Fund," as such value was credited to that fund for rebuilding purposes when the cars were destroyed.

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running repairs	1,332	$63,585 57	1,304	$63,986 59	28	—	—	$ 401 02
Light repairs	103	13,748 05	125	16,514 77	—	—	22	2,766 72
Heavy repairs	53	28,467 88	31	22,637 95	22	$ 5,829 93	—	—
General repairs	47	46,219 33	39	41,428 62	8	4,790 71	—	—
Rebuilding	2	12,117 00	8	24,475 51	—	—	6	12,358 51
Total	1,537	$164,137 83	1,507	$169,043 44	30	—	—	$ 4,905 61
Passenger Cars.								
Running repairs	747	$12,196 91	734	$10,387 67	13	$ 1,809 24	—	—
Light repairs	136	12,840 19	115	10,452 54	21	2,387 65	—	—
Heavy repairs	37	13,757 30	33	11,156 95	4	2,600 35	—	—
General repairs	2	6,494 32	2	1,542 86	—	4,951 46	—	—
Rebuilding	3	4,379 52	4	7,118 11	—	—	1	$ 2,738 59
Total	925	$49,668 24	888	$40,658 13	37	$ 9,010 11	—	—
Freight Cars.								
Running repairs	46,751	$132,280 77	46,811	$125,205 22	—	$ 7,075 55	60	—
Light repairs	1,383	20,495 09	1,388	21,637 10	—	—	5	$ 1,142 01
Heavy repairs	691	28,028 38	604	26,708 02	87	1,320 36	—	—
General repairs	318	25,305 94	271	20,882 14	47	4,423 80	—	—
Rebuilding	317	46,809 40	284	30,279 90	33	16,529 50	—	—
Total	49,460	$252,919 58	49,358	$224,712 38	102	$ 28,207 20	—	—
Entire Cost	51,922	$466,725 65	51,753	$434,413 95	169	$ 32,311 70	—	—

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Condition of Equipment by Months during the Year—Entire System.

Months Ended.	Locomotives.		Passenger Cars.	
	Number requiring repairs.	Estimated cost of repairs required.	Number requiring repairs.	Estimated cost of repairs required.
July 1, 1897	37	$29,050 00	37	$3,625 00
July 31, 1897	31	16,420 00	53	8,185 00
August 31, 1897	28	20,950 00	46	7,350 00
September 30, 1897	21	19,600 00	43	7,230 00
October 31, 1897	24	22,550 00	53	7,890 00
November 30, 1897	30	27,700 00	49	7,965 00
December 31, 1897	38	26,400 00	39	6,750 00
January 31, 1898	36	25 525 00	38	6,675 00
February 28, 1898	37	18,775 00	36	6,170 00
March 31, 1898	33	22,550 00	37	6,275 00
April 30, 1898	33	19,755 00	39	6,200 00
May 31, 1898	28	48,080 00	38	6,170 00
June 30, 1898	53	71,200 00	40	6,175 00

Months Ended.	Freight Cars.				
	Number owned and leased.	Bad order.		In service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1897	4,353	134	3.07	4,219	96.93
July 31, 1897	4,352	136	3.13	4,216	96.87
August 31, 1897	4,356	163	3.74	4,193	96.26
September 30, 1897	4,360	144	3.30	4,216	96.70
October 31, 1897	4,502	128	2.84	4,374	97.16
November 30, 1897	4,538	106	2.34	4,432	97.66
December 31, 1897	4,634	143	3.09	4,491	96.91
January 31, 1898	4,638	157	3.38	4,481	96.62
February 28, 1898	4,646	108	2.32	4,538	97.68
March 31, 1898	4,647	118	2.54	4,529	97.46
April 30, 1898	4,644	145	3.12	4,499	96.88
May 31, 1898	4,648	157	3.38	4,491	96.62
June 30, 1898	5,148	151	2.93	4,997	97.07

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Performance and Cost of Operating Locomotives—Entire System.

Item.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
Mileage—				
Passenger (includes ¼ of mixed)	1,477,639	1,484,360	—	6,721
Freight (includes ¾ of mixed) . .	2,169,415	2,017,779	151,636	—
Switch	847,865	792,875	54,990	—
Work	211,255	178,558	32,697	—
Other service	94,776	86,097	8,679	—
Total	4,800,950	4,559,669	241,281	—
Supplies used—				
Tons of coal	172,626	153,823	18,803	—
Pints of lubricating oil	282,148	259,717	22,431	—
Pints of all oil	404,434	381,621	22,813	—
Pounds of waste	40,061	35,393	4,668	—
Miles run—				
Per ton of coal	27.81	29.64	—	1.83
Per pint of lubricating oil	17.02	17.56	—	.54
Per pint of all oil	11.87	11.95	—	.08
Per pound of waste	119.84	128.80	—	8.96
Cost of operating—				
Repairs	$164,137 83	$169,043 44	—	$4,905 61
Stores (oil and waste)	11,471 53	11,944 47	—	472 94
Fuel (including cost of handling)	339,340 65	299,464 44	$39,876 21	—
Engineers and firemen	293,678 65	279,590 37	14,088 28	—
Wiping and dispatching	51,424 65	50,436 24	988 41	—
Other motive power accounts . .	4,567 70	3,558 63	1,009.07	—
Total	$864,621 01	$814,037 59	$50,583 42	—
Average cost per engine mile—				
Repairs	$0 0342	$0 0371	—	$0 0029
Stores (oil and waste)	0 0024	0 0026	—	0 0002
Fuel (including cost of handling)	0 0707	0 0657	$0 0050	—
Engineers and firemen	0 0611	0 0613	—	0 0002
Wiping and dispatching	0 0107	0 0111	—	0 0004
Other motive power accounts . .	0 0010	0 0008	0 0002	—
Total	$0 1801	$0 1786	$0 0015	—
Average number of engines in service monthly	120	116	4	—
Average monthly mileage per engine	3,334	3,275	59	—

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Special attention is directed to the statement of equipment on page 59, from which it will be seen that the two narrow gauge locomotives that were on hand at the close of the preceding fiscal year have been sold, and also four standard gauge locomotives, reducing the total number of locomotives from 136 to 130.

One official car, one combination car, three coaches, and one mail and express car have been sold, and two mail and express cars dismantled on account of their age. One coach and two mail and express cars have been built. These changes reduced the number of passenger cars from 99 to 94.

The total number of freight cars has been increased from 4,353 to 5,148, caused principally by the purchase of 300 60,000-pound capacity box cars with air brakes and the safety appliances required by law, and the lease of 500 stable cars from the Mather Humane Stock Transportation Co. It will also be noted that 123 new freight cars, which are modern in every respect, have been built by your company to replace cars previously destroyed or dismantled, 58 cars have been sold, and 70 cars destroyed. The greater portion of the cars that are shown as destroyed consisted of old narrow gauge (widened to standard) freight cars which have been dismantled in the yards at Pine Bluff and Tyler, to be replaced by new modern freight cars.

The work of equipping freight cars with air brakes and the automatic appliances required by law is progressing favorably, and it is believed that a continuation of the rate of progress that has been made in this work during the past six months will place the equipment of your company in a condition to fully comply with the law by January 1st, 1900.

During the current fiscal year six new heavy freight locomotives were ordered, which will be delivered by the time this report is published. Their use will reduce the cost of transportation by increasing the average number of tons hauled per train.

During the current fiscal year a decided improvement has been made in the store room and shop facilities at Tyler, but the additional store room facilities at Pine Bluff are still very much needed.

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FUEL SUPPLY.

COAL.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1898-1897.

ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
PURCHASED—				
Number of tons purchased . . .	182,524	161,066	21,458	—
Total cost of coal purchased, excluding company freight . . .	$326,657 18	$280,536 41	$46,120 77	—
Amount of company freight included in cost of coal purchased	8,746 84	6,539 04	2,207 80	—
Total cost of coal purchased, including company freight . . .	335,404 02	287,075 45	48,328 57	—
Average cost of coal per ton, excluding company freight . . .	1 79	1 74	0 05	—
Average cost of coal per ton delivered on line, including company freight	1 84	1 78	0 06	—
CONSUMED—				
Number of tons consumed . . .	178,512	163,460	15,052	—
Total cost of coal consumed, excluding expense of handling .	$329,586 77	$290,968 24	$38,618 53	—
Total expense of handling coal consumed	23,267 13	21,366 68	1,900 45	—
Average expense per ton of handling coal consumed	0.1303	0.1307	—	0.0004
Total cost of coal consumed including expense of handling . . .	352,853 90	312,334 92	40,518 98	—
Average cost of coal consumed per ton, including expense of handling	1 98	1 91	0 07	—

The average cost of coal per ton delivered on line, including company freight, shows an increase of 6 cents per ton, which is due principally to the increase in the quantity of coal purchased from the Arkansas mines, the price of which is greater than the

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price of Illinois coal F. O. B. Cairo, which resulted in a reduction in the quantity of coal purchased from the Illinois mines; however, by purchasing more coal from the Arkansas mines, contiguous to the portion of the line on which it is used, the expense of the long haul of Illinois coal through from Cairo is avoided, and your company is thereby enabled to obtain better service from its coal cars.

The average expense per ton of handling coal consumed during the current fiscal year, shows a slight decrease as compared with the preceding fiscal year.

Wood.

During the fiscal year ended June 30th, 1898, 2,283 cords of wood were purchased at a total cost of $2,988.44, or an average of $1.31 per cord. During the preceding fiscal year, 2,341 cords were purchased at a total cost of $2,732.42, or an average of $1.17 per cord.

Oil.

Just before the close of the current fiscal year, an experiment was made in using the crude oil from the oil wells at Corsicana, Texas, for fuel for the locomotive used in hauling passenger trains between Corsicana and Hillsboro, which proved satisfactory, and arrangements have been made to continue to use oil in that locomotive, and also in the switch locomotive at Corsicana. As soon as necessary arrangements can be made, oil will also be used for fuel in some of the stationary engines in the Tyler, Texas, shops.

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TELEGRAPH DEPARTMENT.

The mileage of telegraph lines and wires operated, and the expense of operation and repairs in this department for the fiscal year ended June 30th, 1898, as compared with the preceding fiscal year, are shown in the following table:

DESCRIPTION OF LINES—ENTIRE SYSTEM.

MILEAGE.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.
Miles of railroad	1,223.0	1,223.0	—
Miles of wire owned by this company (on poles owned by W. U. Tel. Co.)	1,074.0	1,074.0	—
Miles of wire owned by Western Union Tel. Co.	2,854.0	2,838.0	16.0

EXPENSES—ENTIRE SYSTEM.

NATURE OF EXPENSE.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Salaries of telegraph operators	$54,396 63	$51,490 40	$2,906 23	5.64	—	—
Supplies used by operators	357 53	995 13	—	—	$637 60	64.07
Repairs of telegraph line	5,171 70	5,528 87	—	—	357 17	6.46
Total	$59,925 86	$58,014 40	$1,911 46	3.29	—	—

The telegraph wires are operated jointly by the Western Union Telegraph Co. and your company.

During the current fiscal year sixteen miles of new wire have been erected between Commerce, Texas, and Greenville, Texas, by the Western Union Telegraph Co. for the exclusive use of that company.

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HOSPITAL SERVICE.

The hospital at Tyler, Texas, has been efficiently managed during the current fiscal year, under the direction of Dr. C. A. Smith, Chief Surgeon. The institution continues self-sustaining, the contributions from employes covering all expenses.

The following brief summary shows the operations of this department for the fiscal year, ended June 30th, 1898, compared with the preceding fiscal year:

EMPLOYES RECEIVING HOSPITAL BENEFITS, ETC.
ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1898.	June 30, 1897.	Increase.	Decrease
Patients in hospital at the beginning of year	52	70	—	18
Patients admitted during the year	1,649	1,669	—	20
Total	1,701	1,739	—	38
Number discharged	1,628	1,680	—	52
Number of deaths	14	7	7	—
Patients remaining in hospital at the close of year	59	52	7	—
Total	1,701	1,739	—	38
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	8,160	7,148	1,012	—
Total number of employes receiving hospital benefits	9,861	8,887	974	—
Per cent. of deaths to number of cases treated in the hospital	0.8	0.4	0.4	—

During the current fiscal year there were fourteen deaths at the hospital, all of them being due to diseases of various kinds,

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and none in connection with the 406 surgical cases treated at the hospital during the year.

The improvements in the plant mentioned in the Sixth Annual Report, page 69, were completed during the early part of the current fiscal year, and the great assistance that has thereby been rendered to the hospital service demonstrates the fact that the money paid for these improvements was judiciously spent.

CONCLUSION.

Attention is directed to the appendix to this report in which will be found comparative statistics pertaining to the operation of your property in the past ten years, and income and financial exhibits for each of the separate corporations forming your system of railways for the fiscal year ended June 30th, 1898.

With their accustomed fidelity and intelligence the officers and employes generally have seconded the efforts of the management in behalf of your company, and it is a pleasure to acknowledge that to them is due a large share of credit for the improved results in the several departments.

For the Board of Directors,

S. W. FORDYCE,

President.

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APPENDIX.

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Comparative Statistics.

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I.

Gross Earnings by Months

For Ten Years ended June 30th, 1898—Entire System.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.
July	$227,185 56	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16	$334,712 74
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78
October	383,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82
November	335,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,072 18
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09
Total	$3,377,838 03	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43	$5,279,332 82

II.

Operating Expenses (Including Betterments) by Months

For Ten Years ended June 30th, 1898—Entire System.

July	$268,005 81	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90	$313,243 07
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44	336,652 05
September	354,923 07	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70	362,050 27
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67
Total	$3,404,516 05	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24	$4,173,327 62

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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III.

Net Earnings by Months

For Ten Years ended June 30th, 1898—Entire System.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
Months.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.
July	**$ 40,820 25**	$ 57,925 86	**$ 94,541 68**	$ 28,143 21	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26	$ 21,469 67
August	**110,319 00**	63,684 82	**72,556 51**	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64
September	**58,834 85**	112,910 01	**80,758 95**	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33
November	**21,458 47**	80,164 07	**67,782 70**	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36	203,521 21
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45	162,122 26
January	**4,640 91**	**523 27**	**47,154 18**	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00
February	5,348 11	**57,005 86**	**36,378 60**	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97
March	31,265 12	**42,286 43**	**26,826 78**	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34	58,021 91
April	16,946 12	**86,501 97**	**53,497 94**	5,353 66	8,155 87	785 25	15,258 33	12,914 05	23,294 44	**16,505 03**
May	1,481 40	**82,531 70**	**36,980 81**	6,617 06	5,467 54	5,801 77	16,451 75	**9,930 51**	7,136 10	7,255 42
June	34,107 92	**108,568 77**	**63,620 07**	**26,120 14**	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**	**5,874 58**
Total	**$26,678 02**	$226,462 28	**$525,999 75**	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19	$1,106,005 20

Note.—Heavy-faced type denotes deficit.

IV.

Betterments (included in Operating Expenses) by Months

For Ten Years ended June 30th, 1898—Entire System.

July	$ 28,054 58	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38	$ 3,495 83
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67	2,848 44
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07	9,225 38
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11	12,464 27
April	5,554 76	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98	21,837 48
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46	31,333 77
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68	21,805 21
Total	$381,221 15	$786,157 61	$1,089,159 83	$129,266 71	$182,665 06	$ 113,547 81	$197,086 33	$210,894 92	$113,544 38	$132,809 88

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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V.

Summary of Financial Results from Operation

For Ten Years ended June 30th, 1898—Entire System.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses. (including betterments.)		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings					Surplus.	Deficit.
1889	1,187.8	$3,377,838 03	$3,404,516 05	100.79	**$ 26,678 02**	$ 875 00	**$ 25,803 02**	$1,010,330 55	—	$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954,430 62	—	63,188 26
1898	1,223.0	5,279,332 82	4,173,327 62	79.05	1,106,005 20	8,907 14	1,114,912 34	957,618 80	157,293 54	—

Note.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

Heavy-faced type denotes deficit.

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VI.

Traffic Statistics.

For Ten Years ended June 30th, 1898—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of tons carried.	*Freight revenue.	Number of tons carried one mile.	Freight train mileage, including ¾ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per ton.	Average revenue per ton per mile.	Average distance haul of one ton (miles).	Average revenue per freight train mile.
1889	1,187.8	898,125	$2,662,170 13	203,004,973	1,729,767	$2,241 26	$2.9641	$0.0131	226.03	$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2.9410	0.0131	223.99	1.8403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932 01	358,109,737	2,169,415	3,384 25	2.3340	0.0116	201.94	1.9079

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	*Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1889	1,187.8	560,728	$557,745 10	21,154,434	875,328	$469 56	$0.9947	$0.0264	37.73	$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36 744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121 45	37,153,691	1,477,639	698 38	1.0309	0.0230	44.84	0.5780

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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VIII.

Train and Car Mileage Statistics.

For Ten Years ended June 30th, 1898—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per loaded car (tons).	Per train (tons).	On this line.		On fr'gn lines.
														Home	Fr'gn.	Home
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.		
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71			
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73	24	26	20
1898	2,187,854	31,261,518	12,317,032	43,578,550	20,195,428	23,383,122	11,945,326	28.26	14.29	5.63	19.92	11.46	163.68	25	23	18

IX.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111

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Income and Financial Exhibits.

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X.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO. — YEAR ENDED JUNE 30TH, 1898.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$935,326 04		Freight	$2,675,654 04	
Motive power	515,286 45		Passenger	463,260 95	
Maintenance of cars	213,523 76		Mail	86,805 98	
Maintenance of way	607,632 41		Express	44,949 60	
General expenses	103,718 60	$2,375,487 26	Telegraph	3,611 86	
			Miscellaneous	37,885 99	$3,312,168 42
Net earnings	—	936,681 16			
		$3,312,168 42			$3,312,168 42
To Accrued interest on bonds	$ 800,000 00		By Net earnings brought down	—	$ 936,681 16
Taxes accrued	73,092 93		Interest on bonds owned—		
Interest and exchange	6,134 78		St. L. S. W. Ry. Co. of Texas, First mortgage, $9,445,000.00 @ 4%	$ 377,800 00	
All other payments	7,158 83	$ 886,386 54	Tyler Southeastern Ry. Co., First mortgage . $660,000.00 @ 4%	26,400 00	
			Paragould Southeastern Ry. Co., First mortgage . . $56,000.00 @ 6%	2,740 00	406,940 00
Surplus income for fiscal year ended June 30th, 1898, carried to credit of profit and loss account	—	457,984 45	Sundry amounts	—	749 83
Total		$1,344,370 99	Total	—	$1,344,370 99

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1898.

To Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L. A. & T. Ry	$ 820 08	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1897	$2,302,251 65
Balance to credit of profit and loss account, June 30th, 1898	2,759,416 02	Surplus income from operation for fiscal year ended June 30th, 1898, as per foregoing statement	457,984 45
Total	$2,760,236 10	Total	$2,760,236 10

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XI.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1898.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$47,121,138 17	+$ 76,111 48
Construction accounts		21,530 95	—
Real estate		27,327 95	—
Investments in stocks and bonds—			
Capital stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00	—	—
Capital stock Tyler Southeastern Ry. Co.	250,000 00	—	—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00	—	—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00	—	—
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00	—	—
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00	—	—
St. Louis Southwestern Ry. Co.: Capital stock— Preferred $106,350 00; Common 143,900 00	250,250 00	—	—
Paragould Southeastern Ry. Co.: Capital stock $56,000; 1st mtge. bonds 56,000 } Cost to Co.	51,937 50	—	+ 26,937 50
		18,209,687 50	
Current assets—			
Cash	$120,014 60	—	+ 46,139 48
Advances to sundry agents to be accounted for	3,481 15	—	- 95 05
Sundry accounts collectible	220,979 07	—	+ 139,331 08
Prepaid insurance	2,439 86	—	- 45 22
	$346,914 68		
Supplies on hand	187,509 07	—	+ 14,167 32
		534,423 75	
St. Louis Southwestern Ry. Co. of Texas, general account		2,581,989 34	+ 362,878 37
Tyler Southeastern Ry. Co., general account		151,998 09	+ 31,208 09
Miscellaneous accounts		17,672 04	+ 17,672 04
Total		$68,665,767 79	+ $714,305 09

LIABILITIES.		Total.	+ Increase, - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt—			
* First mortgage bonds (4%)	$20,000,000 00		
† Second mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00	—
Equipment trust obligations		234,648 62	+ $ 87,369 75
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	$237,639 47	—	- 39,860 53
Interest on bonds—accrued, not due until Nov. 1st, 1898	133,333 33	—	—
Taxes accrued year 1898—not due until 1899	35,129 77	—	+ 2,198 52
Hospital fund	1,345 24	—	- 3,015 42
		407,447 81	
Current liabilities—			
Audited vouchers unpaid	$444,195 31	—	+ 132,546 64
Audited pay-rolls unpaid	132,111 18	—	+ 7,272 91
Interest on bonds—due and unpaid (unpresented coupons)	34,180 00	—	+ 1,580 00
Notes payable—due on demand	49,000 00	—	+ 49,000 00
		659,486 49	
Miscellaneous accounts		104,768 85	+ 20,048 85
Balance to credit of profit and loss account, June 30th, 1898, as per detailed exhibit on preceding page		2,759,416 02	+ 457,164 37
Total		$68,665,767 79	+ $714,305 09

*Secured by first mortgage lien on St. L. S. W. Ry., $9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S. E. Ry. Co., $660,000.

†Secured by second mortgage lien on St. L. S. W. Ry., $2,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S. E. Ry. Co., $330,000.

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XII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1898.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 546,307 07		Freight	$1,373,587 80	
Motive power	450,093 45		Passenger	361,439 98	
Maintenance of cars	132,529 94		Mail	54,408 20	
Maintenance of way	468,413 34		Express	23,644 80	
General expenses	63,204 73	$1,660,548 53	Telegraph	2,495 35	
			Miscellaneous	22,620 38	$1,838,196 51
Net Earnings	—	177,647 98			
		$1,838,196 51			$1,838,196 51
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	$ 177,647 98	
Taxes accrued	—	52,901 50	Sundry amounts	5,417 31	$ 183,065 29
Interest and exchange	—	5,383 72			
All other payments	—	7,192 39			
			Deficit for fiscal year ended June 30th, 1898, carried to debit of profit and loss account	—	260,212 32
Total	—	$ 443,277 61	Total	—	$ 443,277 61

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1898.

To Balance to debit of profit and loss account, July 1st, 1897—	$1,868,218 01	*By Balance to debit of profit and loss account, June 30th, 1898*	$2,139,930 33
Deficit from operation for fiscal year ended June 30th, 1898, as per foregoing statement	260,212 32		
Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L., A. & T. R'y in Texas	11,500 00		
Total	$2,139,930 33	Total	$2,139,930 33

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1898.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,244,997 51	+ $78,666 29
Current assets—			
Cash	$ 58,001 87	—	- 24,841 04
Advances to sundry agents to be accounted for	2,473 13	—	+ 2,473 13
Sundry accounts collectible	27,596 19	—	- 2,744 33
Prepaid insurance	2,164 71	—	+ 117 99
	$ 90,235 90		
Supplies on hand	103,803 41	—	+ 29,267 68
		194,039 31	
Tyler Southeastern Ry. Co., general account		161,710 43	+ 13,250 35
Balance to debit of profit and loss account, June 30th, 1898, as per detailed exhibit on preceding page		2,139,930 33	+ 271,712 32
Total		$19,740,677 58	+ $367,902 39

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		$2,500,000 00	—
Funded debt—			
1st mortgage bonds (4%)	$ 9,445,000 00		
2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
Equipment trust obligations		101,092 58	- $ 46,186 29
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	$ 100,000 00		
Taxes accrued year 1898—not due until 1899	29,251 30	129,251 30	+ 86 25
Current liabilities—			
Audited vouchers unpaid	$ 113,523 04		+ 33,066 87
Audited pay-rolls unpaid	146,896 32	260,419 36	+ 17,932 19
St. Louis Southwestern Ry. Co., general account		2,581,989 34	+ 362,878 37
Miscellaneous accounts		425 00	+ 125 00
Total		$19,740,677 58	+ $367,902 39

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XIV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1898.

To EXPENSES—			By EARNINGS—		
Conducting transportation	$ 53,113 83		Freight	$ 89,690 17	
Motive power	33,616 20		Passenger	29,420 52	
Maintenance of cars	7,774 15		Mail	5,326 64	
Maintenance of way	38,649 00		Express	3,405 60	
General expenses	4,138 65	$ 137,291 83	Telegraph	401 93	
			Miscellaneous	723 03	$ 128,967 89
			Deficit from operation	—	8,323 94
		$ 137,291 83			$ 137,291 83
To Deficit brought down	—	$ 8,323 94	*By Deficit for fiscal year ended June 30th, 1898, carried to debit of profit and loss account*	—	$ 40,478 59
Accrued interest on bonds	—	26,400 00			
Taxes accrued	—	5,012 08			
Interest and exchange	—	362 55			
All other payments	—	380 02			
Total	—	$ 40,478 59	Total	—	$ 40,478 59

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1898.

To Balance to debit of profit and loss account July 1st, 1897	$ 268,330 45	*By Balance to debit of profit and loss account June 30th, 1898*	$308,809 04
Deficit from operation for fiscal year ended June 30th, 1898, as per foregoing statement	40,478 59		
Total	$ 308,809 04	Total	$308,809 04

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XV.

CONDENSED BALANCE SHEET.

TYLER SOUTHEASTERN RY. CO. — JUNE 30TH, 1898.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	$1,250,207 51	+ $ 4,050 71	Capital stock—			
			Common		$ 250,000 00	—
Current assets—			Funded debt—			
Prepaid insurance	116 72	- 2 11	1st mortgage bonds (4%)	$ 660,000 00		
			2nd mortgage income bonds (4%, if earned)	330,000 00	990,000 00	—
Balance to debit of profit and loss account June 30th, 1898, as per detailed exhibit on preceding page	308,809 04	+ 40,478 59	St. Louis Southwestern Ry. Co., general account		151,998 09	+ $31,208 09
			St. Louis Southwestern Ry. Co. of Texas, general account		161,710 43	+ 13,250 35
			Miscellaneous accounts		5,424 75	+ 68 75
Total	$1,559,133 27	+ $ 44,527 19	Total		$1,559,133 27	+ $44,527 19

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PROPERTY OF
HARVEY FISK & SONS,
STATISTICAL DEPARTMENT
NOT TO BE LOANED OR TAKEN FROM OFFICE

10/2/99

1899.

EIGHTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED

JUNE 30, 1899.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY CO.

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

EIGHTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1899.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING COMPANY, 309-325 NORTH THIRD STREET.
1899.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

EDWIN GOULD	IRVINGTON, N. Y.
RUSSELL HARDING	ST. LOUIS, MO.
R. M. GALLAWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
WINSLOW S. PIERCE	NEW YORK, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
MURRAY CARLETON	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

EDWIN GOULD	Irvington, N. Y.
RUSSELL HARDING	St. Louis, Mo.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
F. H. BRITTON	Tyler, Tex.
M. A. COOPER	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
JAMES GARRITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Tarrytown, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
F. H. BRITTON	Tyler, Tex.
J. P. DOUGLAS	Tyler, Tex.
T. F. MURCHISON	Athens, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

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OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

EDWIN GOULD	*President*	IRVINGTON, N. Y.
RUSSELL HARDING	*Vice-President and Gen'l Manager*	ST. LOUIS, MO.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
S. H. WEST	*General Attorney*	ST. LOUIS, MO.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Treasurer and Ass't Secretary*	ST. LOUIS, MO.
A. S. DODGE	*General Traffic Manager*	ST. LOUIS, MO.
R. S. DAVIS	*General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agt*	ST. LOUIS, MO.
F. H. BRITTON	*General Superintendent*	TYLER, TEX.
W. C. WATROUS	*Sup't Transportation*	TYLER, TEX.
F. S. RAWLINS	*Superintendent*	PINE BLUFF, ARK.
E. J. NICHOLS	*Resident Engineer*	TYLER, TEX.
J. S. BERRY	*Superintendent Water Service, Bridges and Buildings*	TYLER, TEX.
R. M. GALBRAITH	*General Master Mechanic*	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

RUSSELL HARDING	*President*	St. Louis, Mo.
F. H. BRITTON	*Vice-President and General Sup't*	Tyler, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
GEORGE ERBELDING	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
H. E. FARRELL	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger and Ticket Agt*	Tyler, Tex.
W. C. WATROUS	*Sup't Transportation*	Tyler, Tex.
A. B. LIGGETT	*Superintendent*	Tyler, Tex.
E. J. NICHOLS	*Resident Engineer*	Tyler, Tex.
J. S. BERRY	*Superintendent Water Service, Bridges and Buildings*	Tyler, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	*President*	Tyler, Tex.
HOWARD GOULD	*Vice-President*	Tarrytown, N. Y.
F. H. BRITTON	*General Superintendent*	Tyler, Tex.
R. D. COBB	*Auditor*	Tyler, Tex.
J. P. DOUGLAS	*Secretary*	Tyler, Tex.
GUY PHILLIPS	*Assistant Secretary*	New York, N. Y.
J. W. HOGAN	*Treasurer*	Tyler, Tex.
H. E. FARRELL	*General Freight Agent*	Tyler, Tex.
S. G. WARNER	*General Passenger and Ticket Agt*	Tyler, Tex.
W. C. WATROUS	*Sup't Transportation*	Tyler, Tex.
A. B. LIGGETT	*Superintendent*	Tyler, Tex.
E. J. NICHOLS	*Resident Engineer*	Tyler, Tex.
J. S. BERRY	*Superintendent Water Service, Bridges and Buildings*	Tyler, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

NEW YORK, Sept. 15th, 1899.

To the Stockholders of the
St. Louis Southwestern Railway Company:

The Eighth Annual Report of this company, for the fiscal year ended June 30th, 1899, is hereby respectfully presented.

The holders of all classes of the company's securities are to be congratulated upon the splendid showing made in this annual report.

The policy of improving the physical condition of your property has been continued, and the surplus earned, together with the proceeds of the income bonds which your directors sold, has been used in paying off the floating debt (an interest bearing liability) and placing the company in a strong financial condition.

The road starts the current year, for the first time in its history, free from floating debt.

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The Chicago & Eastern Illinois Railroad Company now have under construction a sixty-three mile extension from Marion, Ill., which will connect with this line at a point on the Mississippi River opposite Gray's Point, Mo., and good results are expected from an interchange of traffic between the two lines at Gray's Point when this extension is completed.

The thanks of the stockholders are due to the officers and employes of the road for the intelligence and fidelity of their efforts in seconding and carrying out the plans of the management.

For the Directors,

EDWIN GOULD,

President.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE VICE-PRESIDENT AND GENERAL MANAGER.

ST. LOUIS, MO., September 1st, 1899.

MR. EDWIN GOULD, *President:*

DEAR SIR—The following report of the business and operations of the entire system for the fiscal year ended June 30th, 1899, and the condition of its affairs at the close of the year, is respectfully submitted:

During the current fiscal year, the average number of miles operated, on which all computations pertaining to the earnings, expenses and traffic statistics are based, was 1,249.8 miles, an increase of 26.8 miles over the preceding fiscal year. The actual number of miles operated on June 30th, 1899, is shown in detail in Table No. 1 of the appendix to this report.

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Average number of miles operated	1,249.8	1,223.0	26.8
Gross earnings	$5,862,338 51	$5,279,332 82	$583,005 69
Operating expenses (including betterments)	4,209,088 15	4,173,327 62	35,760 53
Net earnings	$1,653,250 36	$1,106,005 20	$547,245 16
All other receipts	84,457 05	8,907 14	75,549 91
Total income	$1,737,707 41	$1,114,912 34	$622,795 07
Charges against income:			
Accrued int. on first mortgage bonds (4%)	$ 800,000 00	$ 800,000 00	—
Taxes accrued	133,494 85	131,006 51	$ 2,488 34
Rental of leased lines (Gray's Pt. Term'l R'y)	9,887 50	—	9,887 50
Sundry amounts	34,647 79	26,612 29	8,035 50
Total	$ 978,030 14	$ 957,618 80	$ 20,411 34
Balance	$ 759,677 27	$ 157,293 54	$602,383 73
From which has been paid:			
Interest on second mortgage income bonds earned during calendar year ended Dec. 31st, 1898 (2%)	180,000 00	—	180,000 00
Surplus	$ 579,677 27	$ 157,293 54	$422,383 73

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For the fiscal year ended June 30th, 1899, the per cent. of operating expenses (including betterments) to gross earnings was 71.80, and for the preceding year 79.05, while the per cent. of operating expenses (exclusive of betterments) was 68.68 for the current fiscal year, against 76.53 for the preceding year.

A further comparison of the general operating results for the current fiscal year with those of the preceding fiscal year is shown in the following table:

Gross earnings	increase	$583,005 69	or	11.04%
Operating expenses (including betterments)	increase	35,760 53	or	.86%
Net earnings	increase	547,245 16	or	49.48%
Betterments (included in operating expenses)	increase	49,942 46	or	37.60%
Operating expenses (exclusive of betterments)	decrease	14,181 93	or	.35%
Number of revenue tons carried	increase	114,276	or	6.44%
Number of revenue tons carried one mile	increase	22,550,851	or	6.30%
Average load per loaded car (revenue tons)	increase	.24	or	2.09%
Average load per train (revenue tons)	increase	15.76	or	9.63%
Number of passengers carried	increase	70,510	or	8.51%
Number of passengers carried one mile	increase	1,220,225	or	3.28%
Revenue train mileage	decrease	59,779	or	.16%

It will be noted that the gross earnings of the system for the fiscal year just ended were the greatest in its history, exceeding by nearly six hundred thousand dollars the earnings of the preceding year, which were, up to that time, the greatest.

The surplus income for the current fiscal year, after payment of all fixed charges (including interest on second mortgage income bonds earned during the calendar year ended December 31st, 1898—2 per cent. on $9,000,000.00, or $180,000.00—), together with other resources, has been applied principally in liquidating the floating debt of the company, which had accumulated by reason of the large amounts expended for betterments since the organization of the company, June 1st, 1891; also in the payment of maturing equipment trust obligations, and in the purchase of additional and heavier equipment, made necessary in order to meet the demands of increased traffic.

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On August 1st, 1898, the Magnolia Branch, extending from McNeil, Ark., to Magnolia, Ark. (6.4 miles), was turned over to the Louisiana & Northwest R. R. for operation, under a lease to that company for a period of twenty years.

The contract with the Gulf, Colorado & Santa Fe Railway Co., referred to in the preceding annual report, giving this line the use of the former company's track between Wylie, Tex., and Dallas, Tex., together with the use of their terminals at Dallas, and which also permits the Gulf, Colorado & Santa Fe Railway Co. to use the tracks of this line between Wolfe City, Tex., and Sherman, Tex., together with the use of this line's terminals at Sherman, Tex., was made effective on August 1st, 1898.

Effective December 1st, 1898, the company began the operation of the Gray's Point Terminal Ry., extending from Delta, Mo., to Gray's Point, Mo., a distance of 16.4 miles, which property was acquired under the terms of a fifty year lease.

The contents of the several chapters headed, respectively, "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way and Structures," "Maintenance of Equipment," etc., which follow, exhibit a detailed analysis of the results from operation and of the maintenance and improvement of the property.

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FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1899.
2. Statement of profit and loss account, to June 30th, 1899.
3. Condensed balance sheet, June 30th, 1899.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year; also the company's financial condition at the close of the fiscal year ended June 30th, 1899, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Betterments	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Rental of leased lines	" D.
Sundry amounts charged against income account	" E.
Interest on bonds owned	" F.
Trackage rentals	" G.
All other receipts credited income account	" H.
Cost of road and equipment	" I.
Gray's Point Terminal Railway leasehold	" J.
Construction accounts	" K.
Real estate	" L.
Investments in stocks and bonds	" M.
Miscellaneous accounts (assets)	" N.
Capital stock	" O.
Funded debt	" P.
Gray's Point Terminal Ry. Co. 1st mortgage bonds, guaranteed	" Q.
Equipment trust obligations	" R.
Current assets and deferred and current liabilities	" S.
Miscellaneous accounts (liabilities)	" T.
Summary of financial transactions	" U.

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Income Account—Entire System.

Year Ending June 30th, 1899.

To Expenses (see exh. A, page 16)—			By Earnings (see exh. A, page 16)—		
Maintenance of way and structures	$1,101,583 45		Freight	$4,619,985 26	
Maintenance of equipment	647,445 83		Passenger	910,867 27	
Conducting transportation	2,170,464 01		Mail	175,209 64	
General expenses	289,594 86	$4,209,088 15	Express	72,000 00	
			Telegraph	6,058 61	
Net earnings	—	1,653,250 36	Miscellaneous	78,217 73	$5,862,338 51
		$5,862,338 51			$5,862,338 51
To Accrued interest on first mortgage bonds (see exh. B, p. 17)	$ 800,000 00		By Net earnings brought down	—	$1,653,250 36
Taxes accrued " C " 18	133,494 85		Interest on bonds owned (see exh. F, page 19)	$ 5,364 16	
Rental of leased lines (Gray's Pt. Ter. Ry.) " D " 18	9,887 50		Trackage rentals (see exh. G, p. 19)	3,630 00	
Sundry amounts " E " 18	34,647 79		All other receipts (see exh. H, p. 19)	75,462 89	84,457 05
Total	$ 978,030 14				
Add: Interest on second mortgage income bonds earned during calendar year ended December 31st, 1898 (2%) (see exh. B, p. 17)	180,000 00	$1,158,030 14			
Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account	—	579,677 27			
Total	—	$1,737,707 41	Total	—	$1,737,707 41

Profit and Loss Account—Entire System—June 30th, 1899.

To Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L. A. & T. Ry	$ 18,434 25	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1898	$ 310,676 65
		Surplus income from operation for fiscal year ended June 30th, 1899, brought down	579,677 27
Balance to credit of profit and loss account, June 30th, 1899	1,352,517 17	Proceeds sale of 2d mtg. income bond certificates; 1,000 ctfs. par value $1,000,000.00; sold Feb. '99 for	480,597 50
Total	$1,370,951 42	Total	$1,370,951 42

Note.—See appendix for income account and profit and loss account of each company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1899.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. I, page 20)		$66,905,084 54	+ $1,288,741 35
Gray's Pt. Ter. Ry. leasehold (see exh. J, page 20)		339,000 00	+ 339,000 00
Construction accounts (see exh. K, page 21)		20,722 81	- 808 14
Real estate (see exh. L, page 21)		27,327 95	—
Investments (see exh. M, page 21)—			
Stocks and bonds owned		363,039 21	+ 60,851 71
Current assets (see exh. S, page 25)—			
Cash	$389,029 55	—	+ 211,013 08
Sundry accounts collectible	224,629 33	—	- 23,919 22
Advances to sundry agents (to be accounted for)	39,142 25	—	+ 33,187 97
Prepaid insurance	5,734 64	—	+ 1,013 35
	$658,535 77	—	—
Supplies on hand	392,951 88	—	+ 101,639 40
		1,051,487 65	—
Miscellaneous accounts, (see exh. N, page 22)		52,820 93	+ 35,122 18
Total		$68,759,483 09	+ $2,045,841 68

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock (see exh. O, page 22)—			
Preferred	$20,000,000 00		
Common	16,500,000 00		
		$36,500,000 00	—
Funded debt (see exh. P, page 23)—			
1st mortgage bonds (4%)	$20,000,000 00		
2d mortgage income bonds (4%, if earned)	9,000,000 00	—	+ $ 1,000,00 00
		29,000,000 00	—
Gray's Point Terminal R'y Co. 1st mortgage bonds guaranteed (5%) (see exh. Q, page 23)—		339,000 00	+ 339,000 00
Equipment trust obligations (see exh. R, page 24)		500,675 14	+ 164,933 94
Deferred liabilities (see exh. S, page 26)—			
Notes payable—due on stated dates after July 1st,	$3,000 00	—	- 334,639 47
Interest on bonds—accrued, not due	314,745 83	—	+ 181,412 50
Taxes accrued year 1899—not due until 1900	65,535 57	—	+ 1,154 50
Hospital fund	2,993 49	—	+ 1,648 25
		386,274 89	
Current liabilities (see exh. S, page 26)—			
Audited vouchers unpaid	$219,912 19	—	- 337,806 16
Audited pay-rolls unpaid	269,110 06	—	- 9,897 44
Interest on bonds—due and unpaid (unpresented coupons)	44,405 00	—	+ 10,225 00
Notes payable—due on demand.	—	—	- 49,000 00
		533,427 25	
Miscellaneous accounts (see exh. T, page 26)		147,588 64	+ 36,970 04
Balance to credit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page		1,352,517 17	+ 1,041,840 52
Total		$68,759,483 09	+ $2,045,841 68

NOTE.—See appendix for condensed balance sheet of each company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease.	Per cent.
Earnings—						
Freight	$4,619,985 26	$4,138,932 01	$481,053 25	11.62	—	—
Passenger—local	571,745 52	546,740 01	25,005 51	4.57	—	—
Passenger—foreign	339,121 75	307,381 44	31,740 31	10.33	—	—
Mail	175,209 64	146,540 82	28,668 82	19.56	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,058 61	6,509 14	—	—	$ 450 53	6.92
Miscellaneous	78,217 73	61,229 40	16,988 33	27.75	—	—
Total	$5,862,338 51	$5,279,332 82	$583,005 69	11.04	—	—
Earnings per mile of road	$ 4,690 62	$ 4,316 71	$ 373 91	8.66	—	--
Expenses (including betterments)—						
Maintenance of way and structures	$1,101,583 45	$1,226,970 63	—	—	$125,387 18	10.22
Maintenance of equipment	647,445 83	582,962 99	$ 64,482 84	11.06	—	—
Conducting transportation	2,170,464 01	2,179,514 63	—	—	9,050 62	.42
General expenses	289,594 86	183,879 37	105,715 49	57.49	—	—
Total	$4,209,088 15	$4,173,327 62	$ 35,760 53	.86	—	—
Expenses per mile of road	$ 3,367 81	$ 3,412 37	—	—	$ 44 56	1.31
Percentage of expenses to earnings	71.80	79.05	—	—	7.25	9.17
Net Earnings	$1,653,250 36	$1,106,005 20	$547,245 16	49.48	—	—
Per mile of road	$ 1,322 81	$ 904 34	$ 418 47	46.27	—	—
Percentage of total earnings	28.20	20.95	7.25	34.61	—	—
Expenses and Taxes—						
Expenses	$4,209,088 15	$4,173,327 62	$ 35,760 53	.86	—	—
Taxes accrued	133,494 85	131,006 51	2,488 34	1.90	—	—
Total	$4,342,583 00	$4,304,334 13	$ 38,248 87	.89	—	—
Per mile of road	$ 3,474 62	$ 3,519 49	—	—	$ 44 87	1.27
Percentage of total earnings	74.08	81.53	—	—	7.45	9.14
Surplus after paying taxes	$1,519,755 51	$ 974,998 69	$544,756 82	55.87	—	—
Per mile of road	$ 1,216 00	$ 797 22	$ 418 78	52.53	—	—

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EXHIBIT A—*Continued.*

BETTERMENTS—ENTIRE SYSTEM.

INCLUDED IN OPERATING EXPENSES IN FOREGOING STATEMENT.

TITLE OF ACCOUNT AND NATURE OF EXPENSE.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
MAINTENANCE OF WAY AND STRUCTURES—				
New buildings for Transportation Department	$ 2,659 70	$ 9,618 24	—	$ 6,958 54
New buildings for Road Department	216 58	—	$ 216 58	—
New roundhouses and shops	15,956 08	17,208 94	—	1,252 86
New fuel and water stations	5,425 25	7,907 97	—	2,482 72
New grain elevators, coal bunkers and stock yards	1,089 93	1,813 67	—	723 74
New miscellaneous buildings	999 52	—	999 52	—
New machinery and tools	11,614 72	5,823 03	5,791 69	—
New side tracks	31,832 52	25,595 62	6,236 90	—
New bridges and culverts	—	57 71	—	57 71
New fences	44,119 48	15,938 54	28,180 94	—
Rails	5,454 83	—	5,454 83	—
Fastenings, etc	1,786 16	—	1,786 16	—
Roadway and track	22,533 67	27,323 31	—	4,789 64
Total	$ 143,688 44	$ 111,287 03	$ 48,666 62	$ 16,265 21
MAINTENANCE OF EQUIPMENT—				
Additional appliances for equipment	$ 39,063 90	$ 21,522 85	$ 17,541 05	—
Total	$ 182,752 34	$ 132,809 88	$ 66,207 67	$ 16,265 21
Net increase	—	—	$ 49,942 46	—

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

FIRST MORTGAGE—		
Coupon No. 16, due Nov. 1st, 1898 (4%)	$400,000 00	
Coupon No. 17, due May 1st, 1899 (4%)	400,000 00	$800,000 00
SECOND MORTGAGE INCOME—		
Interest earned during calendar year ended December 31st, 1898, authorized paid by Board of Directors, at meeting June 23d, 1899 (2%)		180,000 00
Total		$980,000 00

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EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

Taxes accrued, fiscal year ended June 30th, 1899	$133,494 85
Taxes accrued, fiscal year ended June 30th, 1898	131,006 51
Increase	$ 2,488 34

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1898.	Year 1897.	Increase.	Decrease.
Missouri	$ 15,081 02	$ 13,467 31	$1,613 71	—
Arkansas	54,448 02	54,480 44	—	$ 32 42
Louisiana	6,922 85	6,833 96	88 89	—
Texas	58,830 75	57,983 21	847 54	—
Total taxes paid—calendar year .	$135,282 64	$132,764 92	$2,517 72	—

EXHIBIT D.

RENTAL OF LEASED LINES—ENTIRE SYSTEM.

Gray's Point Terminal Ry.—	
Interest on 1st mortgage bonds guaranteed as basis of rental, to-wit:	
December 1st, 1898, to June 30th, 1899, seven months at 5% on $339,000.00	$9,887 50

EXHIBIT E.

SUNDRY AMOUNTS CHARGED AGAINST INCOME ACCOUNT—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease
Interest and exchange	$13,25699	$11,881 05	$1,375 94	—
Equipment trust expenses	21,279 95	14,504 45	6,775 50	—
Adjustment of sundry accounts	110 85	226 79	—	$ 115 94
Total	$34,647 79	$26,612 29	$8,035 50	—

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EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Paragould Southeastern Ry. Co., 1st mortgage, 6%.			
$25,000 00. Interest 12 months $1,500 00			
31,000 00. Interest 8 months 1,240 00	—	$ 2,740 00	$ 620 00
$56,000 00. Interest 12 months	$ 3,360 00	—	
Pine Bluff, Arkansas River Ry., 1st mortgage, 5%.			
$50,000 00. Interest 5 months	1,041 66	—	1,041 66
Gray's Point Terminal Ry. Co., 1st mortgage, 5% .			
$33,000 00. Interest 7 months	962 50	—	962 50
Total	$ 5,364 16	$ 2,740 00	$ 2,624 16

EXHIBIT G.

TRACKAGE RENTALS—ENTIRE SYSTEM.

MAGNOLIA BRANCH (McNeil to Magnolia, Ark., 6.4 miles): Leased to the Louisiana & Northwest R. R., August, 1898, to June, 1899, 11 months, at $330.00 per month	$3,630 00

EXHIBIT H.

ALL OTHER RECEIPTS—CREDITED INCOME ACCOUNT. ENTIRE SYSTEM.

Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1899	$75,462 89
Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1898	6,167 14
Increase	$69,295 75

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EXHIBIT I.

Cost of Road and Equipment—Entire System.

Changes During Year Ended June 30th, 1899.			
Right of way settlements			$ 2,137 77
Additional land purchased—			
For changing alignment at Corkscrew Hill, Ark.		$ 5 00	
For additional yard facilities at Paragould, Ark.		1,686 50	
For sand pit, near Big Sandy, Tex.		41 02	
For track connection at Wolfe City, Tex., with the G., C. & S. F. Ry.		125 75	1,858 27
Equipment—			
Locomotives purchased	$ 65,160 00		
Cars purchased—			
Passenger	$ 94,037 65		
Freight	107,807 08	201,844 73	
Steamer Marion (half interest)		17,740 58	284,745 31
Second mortgage income bond certificates issued—			
1,000 certificates, par value, $1,000 each			1,000,000 00
Total additions for year			$1,288,741 35

Cost of Road and Equipment to June 30th, 1899.	
Total cost to July 1st, 1898	$65,616,343 19
Total additions for the fiscal year ended June 30th, 1899,	1,288,741 35
Total cost of road and equipment to June 30th, 1899	$66,905,084 54

EXHIBIT J.

Gray's Point Terminal Railway—Leasehold.

Gray's Point Terminal Ry.—

Property leased: Gray's Point to Delta, Mo.

Main track	16.4 miles.
Side track	6.2 miles.
Total	22.6 miles.

In consideration of 50 years' lease, principal and interest guaranteed by the St. Louis Southwestern Ry. Co. on First Mortgage Bonds, Gray's Point Terminal Ry. Co. as follows: Bonds dated December 1st, 1897, due December 1st, 1947—50 years. Interest 5% due semi-annually on June 1st and December 1st.

339 Bonds @ $1,000.00 each $339,000 00

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EXHIBIT K.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Decrease.
Argenta Extension	$ 20,722 81	$ 20,722 81	—
*Survey—Delta to Cape Girardeau	—	808 14	$ 808 14
Total	$ 20,722 81	$ 21,530 95	$ 808 14

*Cost of survey Delta to Cape Girardeau was charged during year ended June 30th, 1899, to Gray's Point Terminal Ry. Co.

EXHIBIT L.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock, Ark. (not used for railroad purposes) $27,327 95

During the fiscal year ended June 30th, 1899, no change has been made in this account.

EXHIBIT M.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year.	June 30, 1899.		June 30, 1898.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, St. L. S. W. Ry. Co.—preferred	—	$ 106,350 00	$106,350 00	$106,350 00	$106,350 00
Capital stock, St. L. S. W. Ry. Co.—common	—	143,900 00	143,900 00	143,900 00	143,900 00
Capital stock, Paragould Southeastern Ry. Co.	—	56,000 00	—	56,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	$3,360 00	56,000 00	51,937 50	56,000 00	51,937 50
Capital stock, Pine Bluff Arkansas River Ry	—	100,000 00	—	—	—
First mortgage bonds, Pine Bluff Ark. River Ry.—5%	1,041 66	50,000 00	27,851 70	—	—
Capital stock, Gray's Point Terminal Ry. Co	—	500,000 00	—	—	—
First mortgage bonds, Gray's Point Terminal Ry. Co.—5%	962 50	33,000 00	33,000 01	—	—
Total	$5,364 16	$1,045,250 00	$363,039 21	$362,250 00	$302,187 50
Increase current fiscal year	$2,624 16	$ 683,000 00	$ 60,851 71	—	—

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EXHIBIT N.

Miscellaneous Accounts (Assets).

Entire System.

Description.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
Unaccrued interest on equipment trust notes—				
St. L., A. & T. Ry.—Series A 37	$ 10,005 18	—	$ 10,005 18	—
St. Charles Car Co.—Series X 1 .	13,744 92	$ 17,672 04	—	$ 3,927 12
St. Charles Car Co.—Series X 2 .	11,584 74	—	11,584 74	—
St. Charles Car Co.—Series X 3 .	3,938 55	—	3,938 55	—
Richmond Locomotive and Machine Works—Series R 1 . . .	7,320 04	—	7,320 04	—
Pullman's Palace Car Co.—Series P 1	6,227 50	—	6,227 50	—
Suspense Account	—	26 71	—	26 71
Total	$ 52,820 93	$ 17,698 75	$ 35,122 18	—

EXHIBIT O.

Capital Stock—Entire System.

June 30th, 1899.

Description.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total	365,000	—	$36,500,000 00	$36,500,000 00

No change has been made in this account during the current fiscal year.

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EXHIBIT P.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1899.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	9,000,000 00	9,000,000 00	*4%	January and July.
Total June 30th, 1899 . . .			$30,000,000 00	$29,000,000 00	$29,000,000 00	—	—
Total June 30th, 1898 . . .			30,000,000 00	28,000,000 00	28,000,000 00	—	—
Increase			—	$ 1,000,000 00	$ 1,000,000 00	—	—

*If earned.

The increase in funded debt during fiscal year ended June 30th, 1899, is due to the issuance during that year of 1,000 second mortgage income bond certificates—par value $1,000,000.00—the same having been issued on account of expenditures, since the organization of the company, June 1st, 1891, for betterments.

EXHIBIT Q.

GRAY'S POINT TERMINAL RY. CO. FIRST MORTGAGE BONDS, GUARANTEED—JUNE 30TH, 1899.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Dec. 1, 1897.	Dec. 1, 1947.	*$500,000 00	$339,000 00	$339,000 00	5%	June and December

*Authorized issue at rate of $15,000.00 per mile for each mile of main track, side track and terminal track when completed.

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EXHIBIT R.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1899.

Total outstanding June 30th, 1898		$ 335,741 20
Add—		
Notes (covering deferred payments and interest) issued during fiscal year ended June 30th, 1899, on account of following agreements:		
St. L., A. & T. Ry.—Series A 37, for interest on notes extended	$11,770 84	
St. Charles Car Co.—Series X 2, for 200 new box cars, 60,000 lbs. capacity	99,114 60	
St. Charles Car Co.—Series X 3, for 4 new chair and 2 combination mail and express cars	32,472 60	
Richmond L. & M. Works.—Series R 1, for 6 new 10-wheel locomotive engines	63,832 20	
Pullman's Palace Car Co.—Series P 1, for 4 new chair and 4 parlor cars	53,280 00	260,470 24
Total		$ 596,211 44
Deduct—		
Notes paid during fiscal year ended June 30th, 1899		95,536 30
Total outstanding June 30th, 1899, shown in detail below		$ 500,675 14

DESCRIPTION.	Due during year ended					Total.
	June 30, 1900.	June 30, 1901.	June 30, 1902.	June 30, 1903.	June 30, 1904.	
St.L.,A.&T.Ry. Series A 37	$ 17,791 20	$ 17,791 20	$ 17,791 20	$ 17,791 20	$ 5,930 40	$ 77,095 20
St. L. S.-W. Ry. Series A	25,000 00	25,000 00	25,000 00	25,000 00	—	100,000 00
Series X 1	29,679 12	29,679 12	29,679 12	14,839 56	—	103,876 92
Series X 2	19,822 92	19,822 92	19,822 92	19,822 92	8,259 55	87,551 23
Series X 3	6,494 52	6,494 52	6,494 52	6,494 52	3,788 47	29,766 55
Series R 1	12,766 44	12,766 44	12,766 44	12,766 44	4,255 48	55,321 24
Series P 1	10,656 00	10,656 00	10,656 00	10,656 00	4,440 00	47,064 00
Total	$122,210 20	$122,210 20	$122,210 20	$107,370 64	$ 26,673 90	$ 500,675 14
Average annual payment for five years	—	—	—	—	—	$ 100,135 03

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EXHIBIT 8.

CURRENT ASSETS AND DEFERRED AND CURRENT LIABILITIES.

ENTIRE SYSTEM.	June 30, 1899.	June 30, 1898.	+ Increase, - Decrease, This year.
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$ 83,652 88	$ 90,777 62	-$ 7,124 74
Remittances in transit from agents and conductors	73,916 16	45,858 03	+ 28,058 13
In hands of Paymaster	4,082 89	5,017 51	- 934 62
On Deposit to pay Unpresented Coupons.			
Central Trust Co. of New York (St. L. S.-W. Ry. Co. 1st mortgage 4%)	43,280 00	34,180 00	+ 9,100 00
Mercantile Trust Co. (St. L. S.-W. Ry. Co. 2d mortgage income 2%)	180,000 00	—	+ 180,000 00
St. Louis Trust Co. (Gray's Point Ter. Ry. Co. 5%)	1,125 00	—	+ 1,125 00
On deposit with Brooklyn Trust Co., N.Y.	697 40	2,183 31	- 1,485 91
On deposit with Mercantile Trust Co	2,275 22	—	+ 2,275 22
	$ 389,029 55	$ 178,016 47	+$ 211,013 08
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 9,729 14	$ 35,081 00	-$ 25,351 86
Bills receivable	5,812 52	10,284 01	- 4,471 49
U. S. Post Office Department	43,726 60	39,084 99	+ 4,641 61
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	159,361 07	158,098 55	+ 1,262 52
	$ 224,629 33	$ 248,548 55	-$ 23,919 22
ADVANCES TO SUNDRY AGENTS (to be accounted for)	$ 39,142 25	$ 5,954 28	+$ 33,187 97
PREPAID INSURANCE	$ 5,734 64	$ 4,721 29	+$ 1,013 35
SUPPLIES ON HAND—			
General store	$ 243,527 99	$ 137,959 21	+$ 105,568 78
Fuel store	37,994 36	25,831 50	+ 12,162 86
Bridge and building store	52,791 57	62,318 64	- 9,527 07
Superintendent's store	20,328 20	—	+ 20,328 20
Cross tie store	13,577 37	34,872 93	- 21,295 56
Steel rail store	2,274 34	1,885 03	+ 389 31
Second-hand rail store	15,437 49	20,812 27	- 5,374 78
Stationery store	5,549 87	6,547 90	- 998 03
Commissary store	379 01	—	+ 379 01
Material suspense account	385 07	—	+ 385 07
War revenue stamps	706 61	1,085 00	- 378 39
	$ 392,951 88	$ 291,312 48	+$ 101,639 40
Total current assets *(carried forward)*	$1,051,487 65	$ 728,553 07	+$ 322,934 58

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EXHIBIT S—*Continued.*

Current Assets and Deferred and Current Liabilities.

Entire System.	June 30, 1899.	June 30, 1898.	+ Increase, — Decrease. This year.
Total current assets (*brought forward*)	$1,051,487 65	$ 728,553 07	+$ 322,934 58
DEFERRED AND CURRENT LIABILITIES.			
Deferred—			
Notes payable—due on stated dates after July 1st	$ 3,000 00	$ 337,639 47	-$ 334,639 47
Interest on bonds, accrued not due	314,745 83	133,333 33	+ 181,412 50
Taxes accrued to June 30th—not due until December 31st	65,535 57	64,381 07	+ 1,154 50
Hospital fund	2,993 49	1,345 24	+ 1,648 25
	$ 386,274 89	$ 536,699 11	-$ 150,424 22
Current—			
Audited vouchers unpaid	$ 219,912 19	$ 557,718 35	-$ 337,806 16
Audited pay rolls unpaid	269,110 06	279,007 50	- 9,897 44
Interest on bonds—due and unpaid (unpresented coupons)	44,405 00	34,180 00	+ 10,225 00
Notes payable—due on demand	—	49,000 00	- 49,000 00
	$ 533,427 25	$ 919,905 85	-$ 386,478 60
Total deferred and current liabilities	$ 919,702 14	$1,456,604 96	-$ 536,902 82
Liabilities in excess of current assets	—	$ 728,051 89	+$859,837 40
Current assets in excess of liabilities	$ 131,785 51	—	
Market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit M. page 21	169,762 70	74,987 37	+ 94,775 33
Excess liabilities	—	$ 653,064 52	+$954,612 73
Excess assets	$ 301,548 21	—	

EXHIBIT T.

Miscellaneous Accounts (Liabilities). Entire System.

Description.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Equipment replacement fund	$140,881 44	$104,768 85	$36,112 59
Donated town lot sales	6,707 20	5,849 75	857 45
Total	$147,588 64	$110,618 60	$36,970 04

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EXHIBIT U.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1899.

The following statement, considered in connection with the foregoing financial exhibits, furnishes, in a condensed form, an analysis of all resources; showing, also, how the same were appropriated, during the fiscal year ended June 30th, 1899.

RESOURCES.			
Cash balance July 1st, 1898			$ 90,777 62
Gross earnings from operation		$5,862,338 51	
Miscellaneous income		84,457 05	
Proceeds sale of 2d mortgage income bond certificates:			
1,000 ctfs., par value $1,000,000.00, sold for		480,597 50	
Second mortgage income bond ctfs. issued:			
1,000 ctfs., par value $1,000.00 each		1,000,000 00	
Gray's Point Terminal Ry. Co. 1st mortgage bonds, guaranteed:			
339 bonds, par value $1,000.00 each		339,000 00	
Increase in equipment trust obligations:			
Notes issued (covering deferred payments and interest) for new equipment purchased	$ 260,470 24		
Less equipment trust obligations paid	95,536 30	164,933 94	
Decrease in construction accounts		808 14	
Increase in miscellaneous liabilities		36,970 04	7,969,105 18
			$8,059,882 80
APPROPRIATION OF RESOURCES.			
Operating expenses (including betterments)		$4,209,088 15	
Interest on bonds, taxes and all other payments charged against income		1,158,030 14	
Compromise settlement of suits, judgments, etc., *vs.* Receivers St. L., A. & T. Ry		18,434 25	
Increase in cost of road and equipment:			
2d mortgage income bond certificates issued:			
1,000 certificates, par value $1,000.00 each	$1,000,000 00		
New equipment	284,745 31		
Right of way settlements	3,996 04	1,288,741 35	
Gray's Point Terminal Ry.—Leasehold		339,000 00	
Increase in stocks and bonds owned		60,851 71	
Increase in current assets (exclusive of cash in hands of Treasurer)		330,059 32	
Decrease in deferred liabilities		150,424 22	
Decrease in current liabilities		386,478 60	
Increase in miscellaneous assets		35,122 18	7,976,229 92
Cash balance June 30th, 1899			$ 83,652 88

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TRAFFIC.

Freight Traffic.

Tonnage and Revenue—Entire System.

Item.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease	Per cent.
Number of revenue tons carried	1,887,609	1,773,333	114,276	6.44	—	—
Number of revenue tons carried one mile . . .	380,660,588	358,109,737	22,550,851	6.30	—	—
Number of revenue tons carried one mile per mile of road	304,577	292,813	11,764	4.02	—	—
Average distance haul of one revenue ton (miles)	201.66	201.94	—	—	.28	.14
*Total freight revenue .	$4,619,985.26	$4,138,932.01	$481,053.25	11.62	—	—
*Average revenue per revenue ton	$2.4475	$2.3340	$0.1135	—	—	—
*Average revenue per revenue ton per mile .	$0.0121	$0.0116	$0.0005	—	—	—

*Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

The number of revenue tons carried for the fiscal year ended June 30th, 1899, shows an increase of 6.44 per cent., and the number of revenue tons carried one mile increased 6.30 per cent.

The density of freight traffic on the line is indicated by the number of revenue tons carried one mile per mile of road, which shows an increase for the fiscal year just ended of 11,764 tons, or 4.02 per cent.

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Following this will be found a comparative table of classified tonnage, showing the number of tons of each commodity transported, as well as the increase or decrease in the tonnage of each commodity, the per cent. thereof, and the relative per cent. of each commodity to the total tonnage. In the lower part of this table will be found comparative exhibits of the tonnage originating on this system, the tonnage received from connecting lines, and the per cent. of each; also the tonnage northbound, southbound, and the per cent. in each direction:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL REVENUE TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1899.		Year ended June 30, 1898.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	871,518	46.17	798,092	45.01	73,426	9.20	—	—
Cotton	193,061	10.23	156,383	8.81	36,678	23.45	—	—
Cotton seed products	147,307	7.80	130,720	7.37	16,587	12.69	—	—
Grain	108,916	5.77	127,915	7.21	—	—	18,999	14.85
Flour	43,345	2.29	38,937	2.20	4,408	11.32	—	—
Other mill products	20,272	1.07	36,706	2.07	—	—	16,434	44.77
Hay	25,273	1.34	33,678	1.90	—	—	8,405	24.96
Tobacco	744	.04	611	.03	133	21.77	—	—
Fruit and vegetables	39,903	2.11	25,202	1.42	14,701	58.33	—	—
Live stock	51,801	2.74	65,562	3.70	—	—	13,761	20.99
Packing house products.	19,842	1.05	21,783	1.23	—	—	1,941	8.91
Merchandise	96,627	5.12	85,543	4.82	11,084	12.96	—	—
Coal	48,667	2.58	47,479	2.67	1,188	2.50	—	—
Oil	25,778	1.37	20,698	1.17	5,080	24.54	—	—
Sugar and molasses	8,597	.46	10,602	.60	—	—	2,005	18.91
Agricultural implements	3,388	.18	3,614	.20	—	—	226	6.25
Household goods	8,252	.44	9,504	.54	—	—	1,252	13.17
Salt	10,646	.56	8,455	.48	2,191	25.91	—	—
Wine, liquors and beer	8,410	.45	8,644	.49	—	—	234	2.71
Miscellaneous	155,262	8.23	143,205	8.08	12,057	8.42	—	—
Total	1,887,609	100.00	1,773,333	100.00	114,276	6.44	—	—
Tonnage originating on this system	1,227,617	65.04	1,139,377	64.25	88,240	7.74	—	—
Tonnage received from connecting lines	659,992	34.96	633,956	35.75	26,036	4.11	—	—
Total	1,887,609	100.00	1,773,333	100.00	114,276	6.44	—	—
Tonnage northbound	1,070,615	56.72	955,619	53.89	114.996	12.03	—	—
Tonnage southbound	816,994	43.28	817,714	46.11	—	—	720	.09
Total	1,887,609	100.00	1,773,333	100.00	114,276	6.44	—	—

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A consideration of the foregoing table for the fiscal year ended June 30th, 1899, shows that the tonnage of lumber forms 46.17 per cent. of the total tonnage transported. The increase in the tonnage of this commodity for the current fiscal year over the preceding year was 9.20 per cent.

The cotton crop in the territory tributary to this line was exceptionally good during the fiscal year ended June 30th, 1899, and resulted in an increased movement of this commodity of 23.45 per cent. The total number of bales handled this year was 742,574, as against 607,624 bales handled during the preceding year.

Cotton seed products show an increase of 12.69 per cent., which is directly traceable to the increased cotton crop.

The notable decreases of 14.85 per cent. in the tonnage of grain, and of 44.77 per cent. in the tonnage of other mill products, are due to the fact that comparatively little grain was handled to the Gulf during the current fiscal year, whereas in the preceding year the grain movement from the West to the Gulf was unusually heavy.

Particular attention is called to the large increase in the tonnage of fruit and vegetables, which reflects the continued development of the agricultural resources of the country contiguous to this line.

Live stock shows a decrease of 20.99 per cent., which is explained by the scarcity of stock cattle in Texas, resulting in a restricted movement to the markets.

It will be noted that there was a substantial increase in the tonnage of merchandise and miscellaneous freight for the current fiscal year. This tonnage consists principally of car-load shipments of manufactured articles and less than car-load shipments of merchantable goods, and reflects the healthy condition of the territory served by this line.

The tonnage originating on the system shows an increase of 7.74 per cent. over the preceding year, while the tonnage

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received from connecting lines shows an increase of 4.11 per cent. It is worthy of note that the tonnage originating on the system comprised 65.04 per cent. of the total tonnage transported.

Reference to the last exhibit in this table shows that the tonnage northbound increased 12.03 per cent. whereas the tonnage southbound decreased .09 of one per cent. The tonnage northbound formed 56.72 per cent., and the tonnage southbound 43.28 per cent., of the total tonnage transported during the fiscal year ended June 30th, 1899.

Passenger Traffic.

Passengers Carried and Revenue—Entire System.

Item.	Year ended June 30, 1899.	Year ended June 30, 1898.	In-crease.	Per cent.	De-crease.	Per cent.
Number of passengers carried .	899,048	828,538	70,510	8.51	—	—
Number of passengers carried one mile	38,373,916	37,153,691	1,220,225	3.28	—	—
Number of passengers carried one mile per mile of road . .	30,704	30,379	325	1.07	—	—
Average distance one passenger carried (miles)	42.68	44.84	—	—	2.16	4.82
*Total passenger revenue . . .	$910,867.27	$854,121.45	$56,745.82	6.64	—	—
*Average revenue per passenger	$1.0131	$1.0309	—	—	$0.0178	1.73
*Average revenue per passenger per mile	$0.0237	$0.0230	$0.0007	3.04	—	—

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

Passenger traffic during the current fiscal year shows a substantial gain over the preceding year, the increased travel being due to the generally improved business conditions.

The number of passengers carried increased 8.51 per cent., and the number carried one mile 3.28 per cent., while the average distance one passenger carried decreased 2.16 miles, or 4.82 per cent.

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The increased density of passenger traffic on the line is shown by the number of passengers carried one mile per mile of road, which increased 1.07 per cent.

The gain in total passenger revenue was 6.64 per cent., but it will be noted that the average revenue per passenger declined 1.73 per cent., which is explained by the shorter distance haul per passenger during the current fiscal year as compared with the preceding year. The average revenue per passenger per mile increased 3.04 per cent., indicating that passenger rates were well maintained during the current fiscal year.

New Industries.

The development of the resources of the country tributary to this line was given close attention during the current fiscal year, and a number of new industries—notably, cotton compresses for both square and round bales, cotton oil mills, saw mills, stave factories, etc.—were located at various points on the line.

The oil wells at Corsicana (Tex.) continue to produce good results. During the current fiscal year 504 new wells were bored, of which 74 were dry, 21 abandoned, and 403 produced oil in good quantities and 6 produced gas. The average daily output of oil from the Corsicana wells during the current fiscal year was 2,100 barrels.

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CONDUCTING TRANSPORTATION.

Train and Car Mileage Statistics—Entire System.

Freight.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year	5,237	5,148	89	1.73	—	—
Average number of freight cars in service during the year	5,019	4,593	426	9.27	—	—
Number of miles run by all freight trains (including mixed trains)	2,121,358	2,187,854	—	—	66,496	3.04
Number of miles run by freight cars on this line—						
Loaded	32,542,857	31,261,518	1,281,339	4.10	—	—
Empty	10,553,322	12,317,032	—	—	1,763,710	14.32
All	43,096,179	43,578,550	—	—	482,371	1.11
Home	23,261,396	20,195,428	3,065,968	15.18	—	—
Foreign	19,834,783	23,383,122	—	—	3,548,339	15.17
Number of miles run by home cars on foreign lines	17,254,603	11,945,326	5,309,277	44.45	—	—
Percentage of empty car mileage to total car mileage	24.49	28.26	—	—	3.77	13.34
Average number of cars in each freight train—						
Loaded	15.34	14.29	1.05	7.35	—	—
Empty	4.97	5.63	—	—	.66	11.72
All	20.31	19.92	.39	1.96	—	—
Average load—						
Per loaded car (revenue tons)	11.70	11.46	.24	2.09	—	—
Per train (revenue tons)	179.44	163.68	15.76	9.63	—	—
Average number of miles run per car per day—						
On this line—home	25	25	—	—	—	—
On this line—foreign	24	23	1	4.35	—	—
On foreign lines—home	21	18	3	16.67	—	—
Passenger.						
Total number of passenger cars owned (all classes) at close of the year	111	94	17	18.09	—	—
Average number of passenger cars in service during the year	105	95	10	10.53	—	—
Number of miles run by pass. trains (not includ. mixed trains)	1,465,917	1,459,200	6,717	.46	—	—
Number of miles run by passenger cars on this line—						
Home	5,475,881	5,144,441	331,440	6.44	—	—
Foreign	1,121,766	1,138,049	—	—	16,283	1.43
All	6,597,647	6,282,490	315,157	5.02	—	—
Average number of cars in each passenger train	4.29	4.10	.19	4.63	—	—
Average number of miles run per car per day—						
Home	163	164	—	—	1	.61
Foreign	110	111	—	—	1	.90

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FREIGHT.

The average number of freight cars in service during the current fiscal year shows an increase over the preceding year of 9.27 per cent. This increase is due principally to the addition to freight equipment of 500 stable cars leased from the Mather Humane Stock Transportation Company, delivered on the line in April, May and June, 1898, and 200 new box cars delivered in October, 1898.

The mileage of freight trains decreased 3.04 per cent., and the mileage of all freight cars decreased 1.11 per cent. These results are especially gratifying in view of the increase of 6.30 per cent. in the number of revenue tons carried one mile, and are due to the tonnage system of train loading, which was introduced on the line in February, 1899. Under this new system trains are loaded heavier than heretofore, which permits the tonnage movement to be handled with less train service, and it is expected that even better results will follow a continuance of this system during the ensuing fiscal year. In this connection, attention is called to the average load per train (revenue tons), which shows an increase of 9.63 per cent. for the current fiscal year.

The mileage of empty cars decreased 14.32 per cent., which was brought about by a more general loading of cars in both directions, thus reducing the return empty movement.

Following this will be found a table showing the amount paid and received for mileage and hire of freight cars during the current fiscal year, compared with the preceding year, from which it will be noted that the amount paid by this company for mileage and hire of equipment in excess of such amounts received, decreased 21.25 per cent:

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AMOUNTS PAID AND RECEIVED FOR MILEAGE AND HIRE OF FREIGHT CARS.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease.	Per cent.
AMOUNTS PAID—						
For mileage of foreign freight cars on this line	$128,539 19	$149,024 50	—	—	$20,485 31	—
For hire of freight cars (500 stock)	39,428 64	*4,530 72	$34,897 92	—	—	—
Total	$167,967 83	$153,555 22	$14,412 61	9.39	—	—
AMOUNTS RECEIVED—						
For mileage of St. L. S. W. Ry. System freight cars on foreign roads	104,840 05	73,395 89	31,444 16	42.84	—	—
Net balance paid out . . .	$ 63,127 78	$ 80,159 33	—	—	$17,031 55	21.25

* These cars were not received until the close of the fiscal year ended June 30th, 1898 (during April, May and June), which will explain comparison with current fiscal year.

PASSENGER.

The average number of passenger cars in service during the current fiscal year shows an increase of 10.53 per cent., which is explained by the addition of eight chair cars and four parlor cars to passenger equipment.

The number of miles run by home passenger cars on this line increased 6.44 per cent., and is directly traceable to the increased travel due to improved business conditions.

The number of miles run by foreign passenger cars on this line shows a decrease of 1.43 per cent., which was brought about by the substitution in January, 1899, of this company's parlor cars on day trains in the place of Pullman sleepers.

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MAINTENANCE OF WAY AND STRUCTURES.

Road Department.

During the current fiscal year the roadway and track have been fully maintained and the general condition thereof substantially improved, as will be seen by reference to the following exhibits:

Character of Rail in Main Track, June 30th, 1899.

Location.	75-lb. Steel. Track miles.	60-lb. Steel. Track miles.	56-lb. Steel. Track miles.	55-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.						
Main line	53.93	—	364.07	—	—	418.00
New Madrid branch	—	—	—	—	5.70	5.70
Delta branch . . .	—	—	51.40	—	—	51.40
Little Rock branch	—	—	41.70	—	—	41.70
Shreveport branch .	—	—	59.50	—	—	59.50
Gray's Point Terminal Ry. Co. . .	—	—	—	16.40	—	16.40
Total.	53.93	—	516.67	16.40	5.70	592.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—						
Main line	—	6.15	289.00	—	9.45	304.60
Sherman branch . .	—	—	109.90	—	—	109.90
Ft. Worth branch .	—	—	97.20	—	—	97.20
Hillsboro branch .	—	—	40.00	—	—	40.00
Total	—	6.15	536.10	—	9.45	551.70
TYLER SOUTHEASTERN RY. CO.—						
Main line	—	—	.17	—	88.43	88.60
ENTIRE SYSTEM—						
June 30th, 1899 . .	53.93	6.15	1,052.94	16.40	103.58	1,233.00
June 30th, 1898 . .	45.27	—	1,058.54	—	119.19	1,223.00
Increase, this year	8.66	6.15	—	16.40	—	10.00
Decrease, this year	—	—	5.60	—	15.61	—

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The following table contains a summary of the new steel rail, weighing 75 pounds to the yard (the standard heretofore adopted), purchased and placed in main track, and leads to side tracks, to June 30th, 1899, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . .	1010 $\frac{1800}{2240}$	8.58
During fiscal year ended June 30th, 1896 . .	2120 $\frac{650}{2240}$	17.99
During fiscal year ended June 30th, 1897 . .	301 $\frac{1310}{2240}$	2.56
During fiscal year ended June 30th, 1898 . .	2089 $\frac{1290}{2240}$	17.73
During fiscal year ended June 30th, 1899 . .	902 $\frac{370}{2240}$	7.65
Total purchased	6424 $\frac{940}{2240}$	54.51
PLACED IN TRACK—		
During fiscal year ended June 30th, 1895 . .	522 $\frac{1630}{2240}$	4.43
During fiscal year ended June 30th, 1896 . .	1069 $\frac{1815}{2240}$	9.08
During fiscal year ended June 30th, 1897 . .	1272 $\frac{1845}{2240}$	10.80
During fiscal year ended June 30th, 1898 . .	2557 $\frac{695}{2240}$	21.70
During fiscal year ended June 30th, 1899 . .	998 $\frac{605}{2240}$	8.47
Total placed in track	6420 $\frac{2900}{2240}$	54.48
Balance on hand June 30th, 1899	3 $\frac{1180}{2240}$	.03

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CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1899.

DESCRIPTION.	Ballasted this year. Track miles.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	3.84	—	3.84
Gravel and sand	2.74	219.78	—	219.78
Cinders	—	19.32	—	19.32
Natural soil and length of bridges and trestles	—	—	349.76	349.76
Total	2.74	242.94	349.76	592.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	2.23	94.03	--	94.03
Gravel and sand	—	132.95	—	132.95
Cinders	—	25.69	—	25.69
Natural soil and length of bridges and trestles	—	—	299.03	299.03
Total	2.23	252.67	299.03	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	—	.34	—	.34
Gravel and sand	—	1.42	—	1.42
Cinders	—	1.28	—	1.28
Natural soil and length of bridges and trestles	—	—	85.56	85.56
Total	—	3.04	85.56	88.60
ENTIRE SYSTEM—				
Rock	2.23	98.21	—	98.21
Gravel and sand	2.74	354.15	—	354.15
Cinders	—	46.29	—	46.29
Natural soil and length of bridges and trestles	—	—	734.35	734.35
Total	4.97	498.65	734.35	1,233.00

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FENCING ON RIGHT OF WAY, JUNE 30TH, 1899.

LOCATION.	Linear miles of fence.	
	Built this year.	Total June 30, 1899.
St. Louis Southwestern Ry. Co.	163.66	485.27
St. Louis Southwestern Ry. Co. of Texas . .	192.03	653.78
Tyler Southeastern Ry. Co.	—	.45
Entire system	355.69	1,139.50

DESCRIPTION OF TELEGRAPH LINES—ENTIRE SYSTEM.

MILEAGE.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Miles of railroad	1,233.0	1,223.0	10.0
Miles of wire owned by this company (on poles owned by W. U. Tel. Co.)	1,238.0	1,074.0	164.0
Miles of wire owned by Western Union Tel. Co.	2,870.0	2,854.0	16.0

The telegraph wires are operated jointly by the Western Union Telegraph Company and this company.

During the current fiscal year sixty-seven miles of new wire were erected by this company between Mt. Pleasant and Tyler, Texas, and ninety-seven miles between Commerce and Ft. Worth, Texas, making a total of one hundred sixty-four miles, for the exclusive use of this line. Sixteen miles of new wire were erected between Delta and Gray's Point, Mo., by the Western Union Telegraph Company for joint use and operation.

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Comparative Statement of Maintenance and Improvements in Road Department, During Years ended June 30th, 1899-98.

Character of Work.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. E. Ry. Co.		Entire System.	
	Year ended June 30, 1899.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1898.
Miles of track ditched by plow	47.9	52.8	—	12.9	—	—	47.9	65.7
Miles of track ballasted	2.7	3.0	2.2	2.1	—	2.0	4.9	7.1
Miles of track laid with 75-lb. steel	8.4	21.7	—	—	—	—	8.4	21.7
Miles of track laid with 60-lb. steel	—	—	6.3	—	—	—	6.3	—
Miles of track laid and relaid with 56-lb. steel	3.9	4.2	11.1	20.6	.1	.1	15.1	24.9
Miles of track laid and relaid with 35-lb. steel	6.6	4.4	9.8	1.9	1.0	2.0	17.4	8.3
Miles of new saw mill spurs, private and side tracks	5.9	4.6	7.8	2.5	.3	.6	14.0	7.7
Miles of old side tracks taken up	1.7	2.1	1.3	2.1	.1	1.2	3.1	5.4
Number of cross-ties placed in track	260,881	387,216	197,130	269,006	34,205	29,160	492,216	685,382
Sets of switch ties placed in track	104	130	129	129	3	3	236	262

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Bridge and Building Department.

The work of maintenance and renewals of bridges, trestles and other structures has been steadily carried on during the fiscal year ended June 30th, 1899.

The two tables immediately following furnish the location and description of all permanent spans, and the location by sections and length of trestle bridging, on June 30th, 1899:

Bridges—Statement of Permanent Spans June 30th, 1899.

Location.	Mile post.*	No. of spans.	Length, each.	Total length.	Kind of structure.	Class.†	Year built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river . .	70	1	100	100	Plate girder draw .	A	1892
White river	214.6	1	355	—	Pin connected draw .	A	1892
" "	214.6	1	152	—	Pin connected truss .	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river . . .	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw .	A	1891
" "	261	5	200	—	Pin connected truss .	A	1888
" "	261	1	100	1,593	Pin connected truss .	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss .	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river . . .	335.9	1	290	290	Pin connected draw .	A	1891
Red river	396.8	1	300	—	Pin connected draw .	C	1883
" "	396.8	1	200	—	Pin connected truss .	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river . . .	I 3	1	100	100	Pin connected truss .	A	1890
Whitewater river . .	I 8.2	1	140	140	Pin connected truss .	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss .	A	1893
Total	—	23	—	3,839	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss .	X	1896
Trinity river	599.3	1	200	200	Pin connected truss .	A	1890
Tehuacana river . .	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss .	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river .	687.5	1	150	150	Pin connected truss .	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss .	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss .	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss .	B	1888
Choctaw creek . . .	D-583.7	1	125	125	Pin connected truss .	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek . . .	C-584.5	1	110	110	Pin connected truss .	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss .	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder . . .	A	1890
White Rock creek . .	C-596.1	1	110	110	Pin connected truss .	X	1894
Richland creek . . .	F-647.7	1	125	125	Pin connected truss .	A	1890
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,196	—	—	—

*Note.—Location of mile posts; without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.

Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.

Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.

Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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BRIDGES—STATEMENT OF TRESTLE BRIDGING,

JUNE 30TH, 1899.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's point section	26,223	4.97
Jonesboro section	33,537	6.35
Pine Bluff section	45,555	8.63
Gray's Point branch	6,454	1.22
Little Rock branch	4,106	.78
Shreveport branch	4,658	.88
Total	121,859	23.08
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	34,715	6.57
Tyler section	29,759	5.64
Waco section	4,246	.80
Ft. Worth branch	19,137	3.62
Sherman branch	19,829	3.76
Hillsboro branch	4,628	.88
Total	112,314	21.27
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,098	2.48
ENTIRE SYSTEM, June 30th, 1899	247,271	46.83
ENTIRE SYSTEM, June 30th, 1898	252,132	47.75
Decrease, this year	4,861	.92

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RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1899.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
Red river protection, M. P. 397 near Garland City, Ark.			$ 15,144 23
New wooden trestles	9,636	Linear feet	39,325 78
Strengthening Red river draw			8,846 59
Barge—Red river	1		170 34
Landing barge, Gray's Point, Mo.	1		3,686 06
Cast iron double culvert	96	Linear feet	617 78
Log culvert	1		53 84
Double tile drains	160	Linear feet	483 16
Single tile drains	135	Linear feet	271 21
Bois d'arc boxes	428	Linear feet	988 98
Extension drain at Shreveport	64	Feet	115 57
Wire fence	163	Miles, 3,501 ft. of fence	16,777 63
Farm gates	144		1,026 68
Station platforms (gravel)	22,150	Square feet	293 82
Station platforms (wood)	1,936	Square feet	194 01
Cotton platforms (wood)	8,896	Square feet	657 49
Station buildings	1		763 97
Station buildings (extensions)	2		1,368 02
Transfer shed at McNeil, Ark. (½ cost)	1		194 51
Wooden truck way			38 47
Pavilion at Baucum, Ark			91 04
Water closets	14		658 70
Station coal bins	4		151 97
Engine coal bins	1		151 66
Water station coal bin	1		84 60
Stock pens	5		722 03
Portable stock chute	1		38 34
Wagon bridges	2		47 59
Bridge alarms	2		59 77
Track scales rebuilt	2		739 82
Warehouse scales	1		37 00
Cattle guards (pit)	101		3,266 18
Cattle guards (surface)	14		299 64
Motive power room and office, at Pine Bluff, Ark.	1		8,729 54
Foundation for air compressor, at Pine Bluff, Ark.	1		137 37
Vreeland drop pit at Pine Bluff, Ark.			624 62
Tool house	1		91 52
Section tool houses	14		610 09
Moving section house from Day, Mo.			452 51
Turntable rebuilt and strengthened at Camden, Ark.	1		703 16
Planer foundation	1		42 91
Water tanks, frames and wells	2		3,108 27
Gasoline pump, house and tank pit	1		863 85
Well pit, pump and pump house	1		1,378 89
Pump houses	2		237 34
Water tank seat	1		120 47
Storm sewer at Shreveport (⅛ cost)			248 01
Ice box for buffet supplies at Texarkana (⅙ cost)			37 50
Cottage at Gray's Point (3 rooms)			375 24
Mail cranes	7		105 49
Total, fiscal year ended June 30th, 1899			$115,233 26
Total, fiscal year ended June 30th, 1898			118,925 38
Decrease this year			$ 3,692 12

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RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
New wooden trestles	13,206	Linear feet	$68,419 63
Culverts (iron)	96	Linear feet	95 65
Single tile drain	32½	Linear feet	168 15
Bois d'arc boxes	1,382	Linear feet	1,800 11
Wire fence	192	Miles, 140 ft. of fence	19,139 09
Farm gates	311		1,945 24
Section house addition	1		144 58
Woven wire fence at Tyler, Texas	8,530	Feet of fence	270 55
Special fence	220	Linear feet	52 60
Board fence	2,480	Linear feet	366 09
Station platforms (wood)	14,591	Square feet	950 13
Station platforms (gravel)	10,734	Square feet	190 71
Freight platform rebuilt	1		410 90
Cotton platforms	28,272	Square feet	1,918 75
Coal storage bin at Tyler, Texas	1		194 02
Cattle guards (pit)	222		5,725 01
Cattle guards (surface)	43		1,314 34
Cattle guard (Lynch)	1		26 00
Stock pens	6		751 66
Saw-dust bins	2		51 01
Station buildings (extensions)	2		761 75
New joint union passenger depot at Commerce, Texas (½ cost)			5,491 30
Water closets	3		103 11
Station coal bins	4		276 75
Painting depot at Barry, Texas	1		53 98
Grain houses	2		1,096 11
Telegraph office and platform at Wolfe City (½ cost)	1		352 37
Telegraph store room at Tyler (½ cost)	1		134 76
Telephone booths	2		121 03
Pigeon hole case	1		57 32
Assistant Superintendent's office B. & B. Dept.	1		216 58
Car repairers' houses	2		203 86
Car shed	1		4,463 61
Car shed store room	1		115 45
Car shed floor (gravel)	14,240	Square feet	58 15
Car shed material platform	1		34 45
Hand-car shop	1		107 70
20-stall brick roundhouse and two-story office building, at Tyler, Texas	1		20,297 82
Foundation for air compressor at Tyler, Tex	1		156 61
Boiler shop	1		55 88
Stationery boiler house	1		238 49
Oil house	1		761 22
Casting platform	1		58 90
Casting bin	1		115 41
Hose-reel house	2		109 46
Tool houses	12		578 15
Foundations for machines	11		227 32
Spring furnace at Tyler, Texas	1		78 65
Time register house	1		76 16
Iron rack	1		233 45
Sand bins	2		481 99
Cinder pit drain	250	Linear feet	53 26
Water tank, pump house and water column	1		1,991 31
Amount carried forward			$143,096 58

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RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
Amount brought forward			$143,096 58
Water tank and frame	1		1,482 51
Water tank and frame, taken down and recrested	1		310 94
Well and cistern houses	2		33 51
Dam and waste way	1		370 14
Pump house moved and rebuilt	1		26 82
Fuel oil tank frame	1		95 33
Water station coal bins	1		69 85
Wells for drinking purposes	2		109 46
Turn tables	3		2,881 97
Track scales rebuilt	4		1,039 91
Ellis' bumping post	3		237 56
Ice box for buffet supplies at Texarkana (½ cost)			37 50
Excavation of pond	1		1,070 71
Sewerage at Tyler, Tex.	508	Linear feet	237 19
Water car tubs	1		21 21
Total, fiscal year ended June 30th, 1899			$151,121 19
Total, fiscal year ended June 30th, 1898			95,235 66
Increase this year			$ 55,885 53

TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	672	Linear feet	$ 3,077 54
Bois d'arc boxes	77	Linear feet	260 79
Cotton platforms	1,536	Square feet	118 90
Cattle guards (pit)	3		83 67
Cattle guards (surface)	1		37 25
Train order signal	1		9 36
Farm gates	3		20 44
Water closet	1		23 99
Total, fiscal year ended June 30th, 1899			$ 3,631 94
Total, fiscal year ended June 30th, 1898			8,504 58
Decrease this year			$ 4,872 64

ENTIRE SYSTEM.	
Total, fiscal year ended June 30th, 1899	$269,986 39
Total, fiscal year ended June 30th, 1898	222,665 62
Increase this year	$ 47,320 77

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MAINTENANCE OF EQUIPMENT.

Complete information showing the equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year, compared with the preceding fiscal year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On hand June 30, 1898.	Changes during year.				On hand June 30, 1899.
		Purchased.	Built and rebuilt.	Destroyed.	Sold.	
LOCOMOTIVES	130	6	1	—	2	135
PASSENGER CARS—						
Official	3	—	—	—	—	3
Parlor	—	4	—	—	—	4
Chair	9	8	—	—	—	17
Coaches	50	—	—	—	2	48
Combination	2	—	—	—	—	2
Baggage and express	8	—	—	—	—	8
Mail and express	18	2	4	—	—	24
Mail	4	—	—	—	—	4
Total	94	14	4	—	2	110
FREIGHT CARS—						
Refrigerator	25	—	—	—	—	25
Furniture	150	—	—	2	—	148
Caboose	71	—	—	—	—	71
Box	2,862	200	20	38	8	3,036
Stock	784	—	1	11	—	774
Flat	726	—	11	30	42	665
Tank	4	—	—	—	—	4
Coal	500	—	3	9	5	489
Cinder cars	11	—	—	—	—	11
Derricks	7	—	—	—	—	7
Steam shovels	2	1	—	—	2	1
Ditching plow	1	—	—	—	—	1
Plow cars	1	—	—	—	—	1
Pile driver cars	4	—	—	—	—	4
Total	5,148	201	35	90	57	5,237

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Statement of New Equipment Purchased and Equipment Rebuilt at Company Shops.

Year ended June 30th, 1899.

Class of Equipment.	New Equipment purchased.		Equipment rebuilt to replace cars sold, wrecked and destroyed.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives	6	$65,160 00	1	$ 7,521 73	7	$ 72,681 73
Parlor cars	4	30,708 65	—	—	4	30,708 65
Chair cars	8	54,869 00	—	—	8	54,869 00
Mail and express cars	2	8,460 00	4	12,028 56	6	20,488 56
Box cars	200	107,807 08	20	10,196 05	220	118,003 13
Stock cars	—	—	1	416 01	1	416 01
Coal cars	—	—	3	1,102 74	3	1,102 74
Flat cars	—	—	11	2,982 38	11	2,982 38
Steam shovel cars	1	6,350 00	—	—	1	6,350 00
Total	221	$273,354 73	40	$34,247 47	261	$307,602 20

Repairs and Maintenance of Equipment—Entire System.

Item.	Year ended June 30, 1899.		Year ended June 30, 1898.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives.								
Running repairs	1,229	$65,083 15	1,332	$63,585 57	—	$ 1,497 58	103	—
Light repairs	238	33,355 14	103	13,748 05	135	19,607 09	—	—
Heavy repairs	46	30,753 40	53	28,467 88	—	2,285 52	7	—
General repairs	39	37,917 01	47	46,219 33	—	—	8	$8,302 32
Rebuilding	5	17,542 02	2	12,117 00	3	5,425 02	—	—
Total	1,557	$184,650 72	1,537	$164,137 83	20	$20,512 89	—	—
Passenger Cars.								
Running repairs	855	$12,786 47	747	$12,196 91	108	$ 589 56	—	—
Light repairs	83	11,015 77	136	12,840 19	—	—	53	$1,824 42
Heavy repairs	28	11,331 78	37	13,757 30	—	—	9	2,425 52
General repairs	8	8,330 09	2	6,494 32	6	1,835 77	—	—
Rebuilding	7	15,440 60	3	4,379 52	4	11,061 08	—	—
Total	981	$58,904 71	925	$49,668 24	56	$ 9,236 47	—	—
Freight Cars.								
Running repairs	42,843	$107,311 23	46,751	$132,280 77	—	—	3908	$24,969 54
Light repairs	1,099	32,941 52	1,383	20,495 09	—	$12,446 43	284	—
Heavy repairs	1,241	46,785 03	691	28,028 38	550	18,756 65	—	—
General repairs	336	24,773 82	318	25,305 94	18	—	—	532 12
Rebuilding	428	58,379 03	317	46,809 40	111	11,569 63	—	—
Total	45,947	$270,190 63	49,460	$252,919 58	—	$17,271 05	3513	—
Entire Cost	48,485	$513,746 06	51,922	$466,725 65	—	$47,020 41	3437	—

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Performance and Cost of Operating Locomotives—Entire System.

Item.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
Mileage—				
Passenger (includes ¼ of mixed)	1,483,845	1,477,639	6,206	—
Freight (includes ¾ of mixed) . .	2,103,430	2,169,415	—	65,985
Switch	917,724	847,865	69,859	—
Work	181,379	211,255	—	29,876
Other service	121,412	94,776	26,636	—
Total	4,807,790	4,800,950	6,840	—
Supplies used—				
Tons of coal	185,761	172,626	13,135	—
Pints of illuminating oil	137,104	122,286	14,818	—
Pints of engine oil	186,775	205,448	—	18,673
Pints of valve oil	51,117	76,700	—	25,583
Pints of all oil	374,996	404,434	—	29.438
Pounds of waste	43,220	40,061	3,159	—
Miles run—				
Per ton of coal	25.88	27.81	—	1.93
Per pint of valve oil	94.05	62.59	31.46	—
Per pint of engine oil	25.74	23.37	2.37	—
Per pint of all oil	12.82	11.87	.95	—
Per pound of waste	111.24	119.84	—	8.60
Cost of operating—				
Repairs	$186,904 10	$164,137 83	$22,766 27	—
Stores (oil, waste and other supplies)	15,966 30	16,039 23	—	$ 72 93
Fuel (including cost of handling)	351,610 55	339,340 65	12,269 90	—
Engineers, firemen and wipers .	345,751 18	345,103 30	647 88	—
Total	$900,232 13	$864,621 01	$35,611 12	—
Average cost per engine mile—				
Repairs	$0 0389	$0 0342	$ 0 0047	—
Stores (oil, waste and other supplies)	0 0033	0 0033	—	—
Fuel (including cost of handling)	0 0731	0 0707	0 0024	—
Engineers, firemen and wipers .	0 0719	0 0718	0 0001	—
Total	$0 1872	$0 1800	$ 0 0072	—
Average number of engines in service monthly	134	133	1	—
Average monthly mileage per engine	2,990	3,006	—	16

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FUEL SUPPLY.

COAL.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1899-1898.

ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
PURCHASED—				
Number of tons purchased . . .	194,854	182,524	12,330	—
Total cost of coal purchased, excluding company freight . . .	$323,526 76	$326,657 18	—	$3,130 42
Amount of company freight included in cost of coal purchased	26,099 55	8,746 84	$17,352 71	—
Total cost of coal purchased, including company freight . . .	349,626 31	335,404 02	14,222 29	—
Average cost of coal per ton, excluding company freight . . .	1 66	1 79	—	0 13
Average cost of coal per ton delivered on line, including company freight	1 79	1 84	—	0 05
CONSUMED—				
Number of tons consumed . . .	194,548	178,512	16,036	—
Total cost of coal consumed, excluding expense of handling .	$346,772 92	$329,586 77	$17,186 15	—
Total expense of handling coal consumed	24,347 22	23,267 13	1,080 09	—
Average expense per ton of handling coal consumed	0.1251	0.1303	—	$0.0052
Total cost of coal consumed including expense of handling . . .	371,120 14	352,853 90	18,266 24	—
Average cost of coal consumed per ton, including expense of handling	1 91	1 98	—	0 07

During the current fiscal year the greater part of the company's coal supply was purchased from Illinois mines, the

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Arkansas and Indian Territory mines being shut down during the latter part of the year on account of strikes.

The coal purchased from Illinois mines, which is delivered to this line at Cairo, Ill., or Gale, Ill., is loaded, as far as possible, in southbound box and stock cars, thus returning this equipment to the line under load instead of empty.

Wood.

The number of cords of wood purchased during the current fiscal year was 2,108, at a cost of $2,930.69, or an average of $1.39 per cord. During the preceding fiscal year, 2,283 cords were purchased at a total cost of $2,988.44, or an average of $1.31 per cord.

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HOSPITAL SERVICE.

The operations of the Hospital Department for the fiscal year ended June 30th, 1899, compared with the preceding year, are shown briefly in the following table:

EMPLOYES RECEIVING HOSPITAL BENEFITS, ETC.

ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1899.	June 30, 1898.	Increase.	Decrease.
Patients in hospital at the beginning of year	59	52	7	—
Patients admitted during the year	2,303	1,649	654	—
Total	2,362	1,701	661	—
Number discharged	2,285	1,628	657	—
Number of deaths	18	14	4	—
Patients remaining in hospital at the close of year	59	59	—	—
Total	2,362	1,701	661	—
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	9,089	8,160	929	—
Total number of employes receiving hospital benefits	11,451	9,861	1,590	—
Per cent. of deaths to number of cases treated in the hospital	0.7	0.8	—	0.1

It will be noted that the total number of employes receiving hospital benefits during the current year was 11,451, an increase of 1,590 over the preceding year. The number of deaths during

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the year was eighteen, of which sixteen were due to various diseases and two to personal injuries.

The hospital at Tyler, Texas, continues to be efficiently managed under the direction of Dr. C. A. Smith, Chief Surgeon. During the current year a new ward building for colored patients was completed, which will relieve, to a large extent, the crowding of such patients, especially during the season when sickness is prevalent.

The Hospital Department was self-sustaining during the current fiscal year, contributions from employes covering the entire cost of maintenance.

CONCLUSION.

Particular attention is directed to the appendix to this report, which follows, in which is given a table of mileage operated on June 30th, 1899, and comparative statistical tables covering the operation of the line during the past ten years, as well as income and financial exhibits for each of the several corporations forming the system, for the fiscal year ended June 30th, 1899.

I take this occasion to acknowledge the loyal and efficient support accorded the management by the officers and employes of the line generally. To their full co-operation in carrying out the policy of the management is due, in a large measure, the successful results for the current fiscal year.

Respectfully,

RUSSELL HARDING,

Vice-Pres't & Gen'l Manager.

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APPENDIX.

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I.

MILES OPERATED.

Miles of Track Operated June 30th, 1899—Entire System.

Description.	Main track.	Side track.	Total.
St. Louis Southwestern Ry. Co.—			
Main line	418.0	108.0	526.0
New Madrid branch	5.7	.3	6.0
Delta branch	51.4	8.6	60.0
Little Rock branch	41.7	5.5	47.2
Shreveport branch	59.5	8.8	68.3
Gray's Point Terminal Ry. (leased)	16.4	6.2	22.6
Total	592.7	137.4	730.1
St. Louis S.-W. Ry. Co. of Texas—			
Main line	304.6	56.7	361.3
Sherman branch	109.9	15.1	125.0
Ft. Worth branch	97.2	15.4	112.6
Hillsboro branch	40.0	4.6	44.6
Dallas Branch (joint track with G. C. & S. F. Ry.)	25.2	—	25.2
Total	576.9	91.8	668.7
Tyler Southeastern Ry. Co.—			
Main line	88.6	7.7	96.3
Entire System—			
Total miles of track June 30, 1899	1,258.2	236.9	1,495.1
Total miles of track June 30, 1898	1,223.0	220.2	1,443.2
Increase	35.2	16.7	51.9

MILES OF MAIN TRACK BY STATES.

Description.	Mo.	Ark.	La.	Texas.	Total.
St. L. S.-W. Ry. Co.	143.3	413.6	35.8	—	592.7
St. L. S.-W. Ry. Co. of Tex.	—	—	—	576.9	576.9
T. S. E. Ry. Co.	—	—	—	88.6	88.6
Total	143.3	413.6	35.8	665.5	1,258.2

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Comparative Statistics.

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II.

Gross Earnings by Months.

For Ten Years ended June 30th, 1899—Entire System.

Miles operated	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8
Months.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.
July	$271,562 08	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16	$334,712 74	$369,205 97
August	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69	415,233 20
September	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78	521,812 25
October	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82	666,456 12
November	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06	634,879 67
December	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56	632,023 29
January	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51	502,553 55
February	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78	387,111 35
March	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,072 18	469,746 25
April	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74	424,159 64
May	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87	435,308 03
June	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09	403,849 19
Total	$4,261,913 37	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43	$5,279,332 82	$5,862,338 51

III.

Operating Expenses (Including Betterments) by Months.

For Ten Years ended June 30th, 1899—Entire System.

July	$213,636 22	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90	$313,243 07	$341,212 51
August	273,167 79	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44	336,652 05	360,363 32
September	275,673 26	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38	360,118 92
October	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49	411,010 17
November	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85	397,283 50
December	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30	371,400 52
January	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51	334,210 05
February	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81	299,970 99
March	313,197 91	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70	362,050 27	333,659 41
April	346,374 66	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77	321,665 95
May	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45	348,820 10
June	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67	329,372 71
Total	$4,035,451 09	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24	$4,173,327 62	$4,209,088 15

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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IV.

Net Earnings by Months

For Ten Years Ended June 30th, 1899—Entire System.

Miles operated	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8
Months.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.
July	$ 57,925 86	**$ 84,541 68**	$ 28,143 21	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26	$ 21,469 67	$ 27,993 46
August	63,684 82	**72,656 61**	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64	54,869 88
September . .	112,910 01	**80,758 95**	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40	161,693 33
October	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33	255,445 95
November . .	80,164 07	**67,782 70**	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36	203,521 21	237,596 17
December . .	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45	162,122 26	260,622 77
January	**— 523 27**	**47,154 18**	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00	168,343 50
February . . .	**57,005 96**	**36,378 60**	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97	87,140 36
March	**42,286 43**	**26,826 78**	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34	58,021 91	136,086 84
April	**88,501 97**	**53,497 84**	5,353 66	8,155 87	785 25	15,258 33	12,914 05	23,294 44	**16,505 03**	102,493 69
May	**82,531 70**	**36,860 81**	6,617 06	5,467 54	5,801 77	16,451 75	**9,330 51**	7,136 10	7,255 42	86,487 93
June	**108,668 77**	**63,620 07**	**26,120 14**	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**	**5,874 58**	74,476 48
Total . .	$226,462 28	**$525,999 75**	$812,1 67 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19	$1,106,005 20	$1,653,250 36

Note.—Heavy-faced type denote deficits.

V.

Betterments (included in Operating Expenses) by Months

For Ten Years Ended June 30th, 1899—Entire System.

July	$ 6,410 97	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38	$ 3,495 83	$ 22,197 00
August	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	22,002 61
September . .	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04	19,441 51
October	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	15,419 25
November . .	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	14,515 35
December . .	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04	8,439 37
January . . .	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67	2,848 44	—
February . . .	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07	9,225 38	5,866 26
March	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11	12,464 27	17,433 75
April	95,208 57	35,495 09	—	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98	21,837 48	12,992 24
May	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46	31,333 77	21,603 69
June	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68	21,805 21	22,841 31
Total . .	$786,157 61	$1,089,159 83	$129,266 71	$182,665 06	$ 113,547 81	$197,086 33	$210,894 92	$113,544 38	$132,809 88	$182,752 34

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payments was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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VI.

Summary of Financial Results from Operation

For Ten Years ended June 30th, 1899—Entire System.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses. (including betterments.)		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings					Surplus.	Deficit.
1890	1,222.1	$4,261,913 37	$4,035,451 09	94.69	$ 226,462 28	$ 89,741 44	$ 316,203 72	$1,219,034 60	—	$ 902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	**525,999 75**	67,222 35	**458,777 40**	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954,430 62	—	63,188 26
1898	1,223.0	5,279,332 82	4,173,327 62	79.05	1,106,005 20	8,907 14	1,114,912 34	957,618 80	157,293 54	—
1899	1,249.8	5,862,338 51	4,209,088 15	71.80	1,653,250 36	84,457 05	1,737,707 41	*1,158,030 14	579,677 27	—

Note.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

Heavy-faced type denotes deficit.

*Includes two per cent interest on second mortgage income bond certificates earned during year ended December 31st, 1898.

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VII.

Traffic Statistics.

For Ten Years ended June 30th, 1899—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of revenue tons carried.	* Freight revenue.	Number of revenue tons carried one mile.	Freight train mileage, including ¾ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per revenue ton.	Average revenue per revenue ton per mile.	Average distance haul of one revenue ton (miles).	Average revenue per freight train mile.
1890	1,222.1	1,154,300	$3,394,834 67	258,556,739	1,844,758	$2,777 87	$2.9410	$0.0131	223.99	$1.8403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2.6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932 01	358,109,737	2,169,415	3,384 25	2.8340	0.0116	201.94	1.9079
1899	1,249.8	1,887,609	4,619,985 26	380,660,588	2,103,430	3,696 58	2.4475	0.0121	201.66	2.1964

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VIII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	* Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1890	1,222.1	710,192	$700,876 60	27,657,489	869,646	$573 50	$0.9869	$0.0253	38.94	$0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,452	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36 744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121 45	37,153,691	1,477,639	698 38	1.0309	0.0230	44.84	0.5780
1899	1,249.8	899.048	910,867 27	38,373,916	1,483,845	728 81	1.0131	0.0237	42.68	0.6139

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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IX.

Train and Car Mileage Statistics.

For Ten Years ended June 30th, 1899—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load of revenue tons.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per loaded car.	Per train.	On this line.		On fr'gn lines.
														Home	Fr'gn.	Home
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71	Records incomplete.		
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03			
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73	24	26	20
1898	2,187,854	31,261,518	12,317,032	43,578,550	20,195,428	23,383,122	11,945,326	28.26	14.29	5.63	19.92	11.46	163.68	25	23	18
1899	2,121,358	32,542,857	10,553,322	43,096,179	23,261,396	19,834,783	17,254,603	24.49	15.34	4.97	20.31	11.70	179.44	25	24	21

X.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1890	751,344	3,894,574	519,658	4,414,232	3.60	Records incomplete.	
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111
1899	1,465,917	5,475,881	1,121,766	6,597,647	4.29	163	110

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Income and Financial Exhibits.

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XI.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO. — YEAR ENDED JUNE 30TH, 1899.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 539,701 39		Freight	$2,815,384 51	
Maintenance of equipment	343,905 83		Passenger	494,476 05	
Conducting transportation	1,244,321 70		Mail	95,173 62	
General expenses	184,011 45	$2,311,940 37	Express	44,949 60	
Net earnings	—	1,170,125 54	Telegraph	3,420 98	
			Miscellaneous	28,661 15	$3,482,065 91
		$3,482,065 91			$3,482,065 91
To Accrued interest on bonds	$ 800,000 00		By Net earnings brought down	—	$1,170,125 54
Taxes accrued	74,657 15		Interest on bonds owned—		
Rental of leased lines:			St. L. S. W. Ry. Co. of Texas,		
Gray's Point Terminal Ry	9,887 50		First mortgage, $9,445,000.00 @ 4%	$ 377,800 00	
All other payments	20,987 30		Tyler Southeastern Ry. Co.,		
	$ 905,531 95		First mortgage . $660,000.00 @ 4%	26,400 00	
Add:			Paragould Southeastern Ry. Co.,		
Interest on second mortgage income bonds earned during calendar year ended December 31st, 1898 (2%)	180,000 00	$1,085,531 95	First mortgage . . $56,000.00 @ 6%	3,360 00	
			Pine Bluff Ark. River Ry.,		
			First mortgage . . $50,000.00 @ 5%	1,041 66	
			Gray's Point Terminal Ry. Co.,		
Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account	—	554,807 67	First mortgage . . $33,000.00 @ 5%	962 50	409,564 16
			Trackage rentals	—	3,630 00
			All other receipts	—	57,019 92
Total	—	$1,640,339 62	Total	—	$1,640,339 62

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.

To Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L. A. & T. Ry	$ 18,434 25	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1898	$2,759,416 02
Balance to credit of profit and loss account, June 30th, 1899	3,776,386 94	Surplus income from operation for fiscal year ended June 30th, 1899, as per foregoing statement	554,807 67
		Proceeds sale of 2d mortgage income bond certificates, 1,000 certificates, par value $1,000,000.00; sold in February, 1899, for	480,597 50
Total	$3,794,821 19	Total	$3,794,821 19

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XII.

ST. LOUIS SOUTHWESTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1899.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$48,270,184 01	+$1,149,045 84
Gray's Point Terminal Ry. leasehold		339,000 00	+ 339,000 00
Construction accounts		20,722 81	- 808 14
Real estate		27,327 95	—
Investments in stocks and bonds—			
Capital stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00	—	—
Capital stock Tyler Southeastern Ry. Co.	250,000 00	—	—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00	—	—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00	—	—
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00	—	—
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00	—	—
St. Louis Southwestern Ry. Co.: Capital stock— Preferred $106,350 00; Common 143,900 00	250,250 00	—	—
Paragould Southeastern Ry. Co.: Capital stock $56,000 } Cost; 1st mtge. bonds 56,000 } to Co.	51,937 50	—	—
Pine Bluff, Ark., River Ry.: Capital stock $100,000 } Cost; 1st mtge. bonds, 50,000 } to Co.	27,851 70	—	+ 27,851 70
Gray's Point Terminal Ry. Co.: Capital stock $500,000 } Cost; 1st mtge. bonds, 33,000 } to Co.	33,000 01	—	+ 33,000 01
		18,270,539 21	—
Current assets—			
Cash	$283,005 36	—	+ 162,990 76
Sundry accounts collectible	193,239 46	—	- 27,712 90
Advances to sundry agents to be accounted for	33,840 24	—	+ 30,359 09
Prepaid insurance	3,148 17	—	+ 708 31
	$513,233 23		
Supplies on hand	249,056 71	—	+ 61,547 64
		762,289 94	
St. Louis Southwestern Ry. Co. of Texas, general account		2,960,337 46	+ 378,348 12
Tyler Southeastern Ry. Co., general account		176,749 08	+ 24,750 99
Miscellaneous accounts		25,849 72	+ 8,150 97
Total		$70,853,000 18	+$2,187,232 39

LIABILITIES.		Total.	+ Increase, - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt—			
* First mortgage bonds (4%)	$20,000,000 00		—
† Second mortgage income bonds (4%, if earned)	9,000,000 00	29,000,000 00	+$1,000,000 00
Gray's Point Terminal Ry. Co., 1st mortgage bonds guaranteed (5 per cent)		339,000 00	+ 339,000 00
Equipment trust obligations		412,127 54	+ 177,478 92
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	$ 3,000 00	—	- 234,639 47
Interest on bonds—accrued, not due	314,745 83	—	+ 181,412 50
Taxes accrued year 1899—not due until 1900	36,615 10		+ 1,485 33
Hospital fund	—	—	- 1,345 24
		354,360 93	—
Current liabilities—			
Audited vouchers unpaid	$159,348 99	—	- 284,846 32
Audited pay-rolls unpaid	126,489 34	—	- 5,621 84
Interest on bonds—due and unpaid (unpresented coupons)	44,405 00	—	+ 10,225 00
Notes payable, due on demand	—	—	- 49,000 00
		330,243 33	—
Miscellaneous accounts		140,881 44	+ 36,112 59
Balance to credit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page		3,776,386 94	+ 1,016,970 92
Total		$70,853,000 18	+$2,187,232 39

*Secured by first mortgage lien on St. L. S. W. Ry., $9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S. E. Ry. Co., $660,000.

†Secured by second mortgage lien on St. L. S. W. Ry., $3,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S. E. Ry. Co., $330,000.

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **INCOME ACCOUNT.** YEAR ENDED JUNE 30TH, 1899.

To EXPENSES—			**By EARNINGS—**		
Maintenance of way and structures	$ 518,077 85		Freight	$1,670,066 98	
Maintenance of equipment	285,629 45		Passenger	383,186 06	
Conducting transportation	857,642 93		Mail	75,355 18	
General expenses	97,968 58	$1,759,318 81	Express	23,644 80	
			Telegraph	2,284 20	
Net Earnings	—	444,083 28	Miscellaneous	48,864 87	$2,203,402 09
		$2,203,402 09			$2,203,402 09
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	—	$444,083 28
Taxes accrued	—	53,606 26	All other receipts	—	18,442 97
All other payments	—	13,019 08			
Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account	—	18,100 91			
Total	—	$ 462,526 25	Total	—	$ 462,526 25

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1898	$2,139,930 33	By Surplus income from operation for fiscal year ended June 30th, 1899, brought down	$ 18,100 91
		Balance to debit of profit and loss account, June 30th, 1899	2,121,829 42
Total	$2,139,930 33	Total	$2,139,930 33

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XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1899.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,380,190 69	+ $135,193 18
Current assets—			
Cash	$106,024 19	—	+ 48,022 32
Sundry accounts collectible	31,389 87	—	+ 3,793 68
Advances to sundry agents to be accounted for	5,302 01	—	+ 2,828 88
Prepaid insurance	2,586 47	—	+ 421 76
	$145,302 54		
Supplies on hand	143,895 17	—	+ 40,091 76
		289,197 71	
Tyler Southeastern Ry. Co., general account		134,874 80	- 26,835 63
Miscellaneous accounts		25,849 72	+ 25,849 72
Balance to debit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page		2,121,829 42	- 18,100 91
Total		$19,951,942 34	+ $211,264 76

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		$2,500,000 00	—
Funded debt—			
1st mortgage bonds (4%)	$ 9,445,000 00		—
2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
Equipment trust obligations		88,547 60	- $ 12,544 98
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	—	—	- 100,000 00
Taxes accrued year 1899—not due until 1900	$ 28,920 47	—	- 330 83
Hospital fund	2,993 49	—	+ 2,993 49
		31,913 96	
Current liabilities—			
Audited vouchers unpaid	$ 60,563 20	—	- 52,959 84
Audited pay-rolls unpaid	142,620 72	—	- 4,275 60
		203,183 92	
St. Louis Southwestern Ry. Co., general account		2,960,337 46	+ 378,348 12
Miscellaneous accounts		459 40	+ 34 40
Total		$19,951,942 34	+ $211,264 76

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1899.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 518,077 85		Freight	$1,670,066 98	
Maintenance of equipment	285,629 45		Passenger	383,186 06	
Conducting transportation	857,642 93		Mail	75,355 18	
General expenses	97,968 58	$1,759,318 81	Express	23,644 80	
			Telegraph	2,284 20	
Net Earnings	—	444,083 28	Miscellaneous	48,864 87	$2,203,402 09
		$2,203,402 09			$2,203,402 09
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	—	$444,083 28
Taxes accrued	—	53,606 26	All other receipts	—	18,442 97
All other payments	—	13,019 08			
Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account	—	18,100 91			
Total	—	$ 462,526 25	Total	—	$ 462,526 25

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1898	$2,139,930 33	By Surplus income from operation for fiscal year ended June 30th, 1899, brought down	$ 18,100 91
		Balance to debit of profit and loss account, June 30th, 1899	2,121,829 42
Total	$2,139,930 33	Total	$2,139,930 33

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XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1899.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,380,190 69	+ $135,193 18
Current assets—			
Cash	$106,024 19	—	+ 48,022 32
Sundry accounts collectible	31,389 87	—	+ 3,793 68
Advances to sundry agents to be accounted for	5,302 01	—	+ 2,828 88
Prepaid insurance	2,586 47	—	+ 421 76
	$145,302 54		
Supplies on hand	143,895 17	—	+ 40,091 76
		289,197 71	
Tyler Southeastern Ry. Co., general account		134,874 80	- 26,835 63
Miscellaneous accounts		25,849 72	+ 25,849 72
Balance to debit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page		2,121,828 42	- 18,100 91
Total		$19,951,942 34	+ $211,264 76

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		$2,500,000 00	—
Funded debt—			
1st mortgage bonds (4%)	$ 9,445,000 00		—
2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
Equipment trust obligations		88,547 60	- $ 12,544 98
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	—	—	- 100,000 00
Taxes accrued year 1899—not due until 1900	$ 28,920 47	—	- 330 83
Hospital fund	2,993 49	—	+ 2,993 49
		31,913 96	
Current liabilities—			
Audited vouchers unpaid	$ 60,563 20	—	- 52,959 84
Audited pay-rolls unpaid	142,620 72	—	- 4,275 60
		203,183 92	
St. Louis Southwestern Ry. Co., general account		2,960,337 46	+ 378,348 12
Miscellaneous accounts		459 40	+ 34 40
Total		$19,951,942 34	+ $211,264 76

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1899.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 518,077 85		Freight	$1,670,066 98	
Maintenance of equipment	285,629 45		Passenger	383,186 06	
Conducting transportation	857,642 93		Mail	75,355 18	
General expenses	97,968 58	$1,759,318 81	Express	23,644 80	
			Telegraph	2,284 20	
Net Earnings	—	444,083 28	Miscellaneous	48,864 87	$2,203,402 09
		$2,203,402 09			$2,203,402 09
To Accrued interest on bonds	—	$ 377,800 00	By Net earnings, brought down	—	$444,083 28
Taxes accrued	—	53,606 26	All other receipts	—	18,442 97
All other payments	—	13,019 08			
Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account	—	18,100 91			
Total	—	$ 462,526 25	Total	—	$ 462,526 25

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1898	$2,139,930 33	By Surplus income from operation for fiscal year ended June 30th, 1899, brought down	$ 18,100 91
		Balance to debit of profit and loss account, June 30th, 1899	2,121,829 42
Total	$2,139,930 33	Total	$2,139,930 33

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XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1899.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,380,190 69	+ $135,193 18
Current assets—			
Cash	$106,024 19	—	+ 48,022 32
Sundry accounts collectible	31,389 87	—	+ 3,793 68
Advances to sundry agents to be accounted for	5,302 01	—	+ 2,828 88
Prepaid insurance	2,586 47	—	+ 421 76
	$145,302 54		
Supplies on hand	143,895 17	—	+ 40,091 76
		289,197 71	
Tyler Southeastern Ry. Co., general account		134,874 80	- 26,835 63
Miscellaneous accounts		25,849 72	+ 25,849 72
Balance to debit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page		2,121,829 42	- 18,100 91
Total		$19,951,942 34	+ $211,264 76

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		$2,500,000 00	—
Funded debt—			
1st mortgage bonds (4%)	$ 9,445,000 00		—
2nd mortgage income bonds (4%, if earned)	4,722,500 00	14,167,500 00	—
Equipment trust obligations		88,547 60	- $ 12,544 98
Deferred liabilities—			
Notes payable—due on stated dates after July 1st	—	—	- 100,000 00
Taxes accrued year 1899—not due until 1900	$ 28,920 47	—	- 330 83
Hospital fund	2,993 49	—	+ 2,993 49
		31,913 96	
Current liabilities—			
Audited vouchers unpaid	$ 60,563 20	—	- 52,959 84
Audited pay-rolls unpaid	142,620 72	—	- 4,275 60
		203,183 92	
St. Louis Southwestern Ry. Co., general account		2,960,337 46	+ 378,348 12
Miscellaneous accounts		459 40	+ 34 40
Total		$19,951,942 34	+ $211,264 76

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XV.

TYLER SOUTHEASTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1899.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 43,804 21		Freight	$ 134,533 77	
Maintenance of equipment	17,910 55		Passenger	33,205 16	
Conducting transportation	68,499 38		Mail	4,680 84	
General expenses	7,614 83	$ 137,828 97	Express	3,405 60	
			Telegraph	353 43	
Net earnings	—	39,041 54	Miscellaneous	691 71	$ 176,870 51
		$ 176,870 51		—	$ 176,870 51
To Accrued interest on bonds	—	$ 26,400 00	By net earnings brought down	—	$ 39,041 54
Taxes accrued	—	5,231 44			
All other payments	—	641 41			
Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account	—	6,768 69			
Total	—	$ 39,041 54	Total	—	$ 39,041 54

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1898	$ 308,809 04	By Surplus income from operation for fiscal year ended June 30th, 1899, brought down	$ 6,768 69
		Balance to debit of profit and loss account, June 30th, 1899	302,040 35
Total	$ 308,809 04	Total	$308,809 04

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XVI.

TYLER SOUTHEASTERN RY. CO. — CONDENSED BALANCE SHEET. — JUNE 30TH, 1899.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	$1,254,709 84	+ $ 4,502 33	Capital stock—			
			Common		$ 250,000 00	—
Current assets—			Funded debt—			
Prepaid insurance	—	- 116 72	1st mortgage bonds (4%)	$ 660,000 00		
Miscellaneous accounts	1,121 49	+ 1,121 49	2nd mortgage income bonds (4%, if earned)	330,000 00	990,000 00	—
Balance to debit of profit and loss account June 30th, 1899, as per detailed exhibit on preceding page	302,040 35	- 6,768 69	St. Louis Southwestern Ry. Co., general account		176,749 08	+ $24,750 99
			St. Louis Southwestern Ry. Co. of Texas, general account		134,874 80	- 26,835 63
			Miscellaneous accounts		6,247 80	+ 823 05
Total	$1,557,871 68	- $ 1,261 59	Total		$1,557,871 68	- $ 1,261 59

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Commercial Advertiser
12-29-98

ST. LOUIS SOUTHWESTERN.

I.

Nowadays when Great Northern men leave that road to accept positions elsewhere—and it may be noted that these positions are generally high positions—notice is served upon all concerned that there is going to be a change for the better. Space will not permit us at present to demonstrate by means of practical examples the extent to which Mr. Hill appears to have been running a species of railroad kindergarten for the general benefit. We wish to remark, however, that two of his best men—Mr. Russell Harding and Mr. Watrous—have lately taken service with the St. Louis Southwestern Railway, and that the management of this system will henceforth be in the hands of Mr. Harding.

It may, therefore, be interesting and possibly profitable to examine a little into the present condition of the St. Louis Southwestern property with the view of seeing whether something can be done with it, and, if so, what can be done. Hence we shall present a brief statement of the company's affairs. The road consists of 1,223 miles of main track and branches running in a southwesterly direction from Cairo and Memphis to points in Texas on the line of the Texas and Pacific and other properties. It has trackage into Dallas. It is capitalized as follows:

Bonded debt—first mortgage	$20,000,000
Second mortgage incomes	8,000,000
Total bonded debt	$28,000,000

Of this amount only $20,000,000 bears interest at 4 per cent. The road has, in addition to these liabilities, equipment trust obligations in excess of $335,000 and a like amount of *notes payable*. Besides these it has the usual current liabilities, against which there are the usual current assets. Current liabilities, however, are somewhat larger than is usual and somewhat exceed current assets.

This floating debt in the main represents deficits of previous years, which are large in amount. While we are on this subject we may say that the balance sheet of the St. Louis Southwestern contains certain items that we do not like, as, for example, the carrying of the deficit on the Texas lines as an asset, against a nominal *profit and loss* surplus among the liabilities. These Texas lines, of course, cannot, except by stretching the imagination, be separated from the main system. We are glad to see that in the condensed balance sheet of the whole system the items are eliminated. Probably the Texas law compelled them to be shown in the separate balance sheet for the St. Louis Southwestern outside the state of Texas.

Obligatory fixed charges on the system, therefore, consist of interest at 4 per cent. on $20,000,000 bonds, taxes and other interest and exchange. The total amount averages in round figures $960,000 per annum. Last year the company made the following showing of expenses and earnings:

Gross earnings		$5,279,332
Operating expenses		4,173,327
Net earnings		$1,106,005
Other income		8,907
All income		$1,114,912
Interest on bonds	$800,000	
Taxes	131,006	
Interest and exchange	11,881	
Other payments	14,731	
Total charges		$957,618
Surplus		$157,293

The surplus for the year was equal to almost exactly 2 per cent. on the second mortgage income bonds, on which, of course, nothing was paid. This result was better than that of any year in the last ten, with the single exception of 1895, when a surplus of over $300,000 was earned. In that year, however, the gross earnings were a shade smaller than they were last year. Some very heavy deficits have been shown in previous years, partly owing to small gross earnings and partly owing to the very heavy expenditures necessitated by exceptional damages to the property.

It will be noticed from the above that operating expenses last year, excluding taxes, were something like 80 per cent. of the gross earnings. It is true that the gross earnings per mile were not very large, being roughly $4,300, but even allowing for this, expenses were very large. Also, as we shall show a little later, they are not to be accounted for by low rates, because the company has an average ton-mile revenue on over eleven and a half mills, and an average passenger mile revenue of twenty-three mills. As these go they are very fair rates. It is clear, therefore, that in operating expenses there lie some possibilities possibly of magnitude. These possibilities are all the more interesting because the company has been placed in the hands of men whose specialty is the production of cheap transportation. A saving of 10 per cent. in operating expenses would increase net earnings by over $400,000, which would mean a surplus of $200,000, or thereabouts, over the full interest on the second mortgage bonds.

We shall consider in another article what chances there are for some such saving.

TO-DAY'S STOCK QUOTATIONS

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12-30-98

ST. LOUIS SOUTHWESTERN.

II.

Last year St. Louis Southwestern spent for *maintenance of way* no less than $1,114,694. As we stated yesterday, the company operates only 1,223 miles of main track, so that the above expenditures for maintenance of way were in excess of $900 per mile of main track operated. The company has practically no double track and only a moderate allowance of side tracks, so that it is very clear that no such sum as $900 per mile is needed for its proper maintenance, unless extraordinary conditions have to be met with. It is true that the line has suffered from time to time serious damage from washouts, etc., but even this would not account for expenditures so heavy. It is pretty safe to say that, taking year in and year out, the company should not need to spend anything like so much money on its roadbed. Probably $200 per mile can safely be saved, sooner or later, in this item, once the road has been placed in thoroughly good condition. For some years the company has been bettering its property by laying heavier steel, filling trestles and generally making the permanent way more solid. It has furthermore been carrying on pretty extensive improvements at various points.

To be conservative, we shall estimate only a saving of say $150,000 in *maintenance of way.*

Maintenance of equipment was fully charged last year. The company averaged $1,200 apiece on repairs of locomotives, $500 apiece on repairs of passenger cars and over $50 apiece on repairs of freight cars. While these expenditures may fairly be regarded as liberal, it is probably unsafe to reckon any large saving as possible in this department. This consequently brings us to the only other department in which any important saving can be looked for, namely, that including expenses dependent upon train mileage.

Eighty per cent. of the company's revenue is derived from freight, and 20 per cent. of the company's freight revenue comes from cotton, which, however, accounts for less than 9 per cent. of the total revenue tonnage. The most important item of tonnage is lumber, which last year provided no less than 45 per cent. of the whole. Cotton was the next largest item, giving nearly 9 per cent., and the next largest was miscellaneous, which gave a trifle over 8 per cent. Cottonseed products and grain each provided over 7 per cent., [illegible] other single item gave as much as 5 per cent. Speaking generally, the company's tonnage was essentially low grade and suitable for economical hauling. That, in spite of this, the average ton mile brought in over 11 mills of gross revenue shows that the company is receiving pretty generous rates. This is not to be wondered at, as the local business on the line is very fair and it is right that freight in that section should pay pretty good rates.

When we come to observe the handling of this freight, however, we find that the company is doing business on the basis of a freight train load of only about 163 tons. Considering the large lumber tonnage, this seems very low, more especially as the company appears to be fortunate in getting tonnage both ways. Its empty car mileage was last year 28 per cent., and five years ago was only 24 per cent. The records show, moreover, no appreciable growth in the train load, for, five years ago, on a materially smaller volume of business, the company averaged nearly 152 tons to the train, and the load per loaded car was 10.60 tons, against 11.46 tons last year. There has been a slight decrease, moreover, in the average number of loaded cars per freight train in the last five years, so that the increase in the total number of cars per train has been all in empties.

Evidently, important savings are possible here. It may be mentioned that M. Watrous was car accountant on the Great Northern, and his specialty is minimizing empty car mileage. Mr. Harding's specialty is minimizing train mileage. If we suppose a train load of say 250 tons on the property, the company would require for last year's business aproximately 750,000 less freight train miles than it actually ran. We may safely reckon not less than 30 cents of saving for every freight train mile, which would give us in round figures $225,000. We shall be surprised if two years from now the company's freight train load is not something like 250 tons.

Here we have, therefore, a total saving in maintenance of way and in train mileage of at least $375,000, all of which and probably more should be realized in the near future. Last year the company had a surplus over obligatory charges of $157,000. It looks therefore as if it should be an easy matter for it to earn the full 4 per cent. on the second mortgage bonds, with a handsome surplus on last year's basis of gross earnings. We suspect that these bondholders should get something in another year or so.

TODAY'S STOCK QUOTATIONS.

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DOW, JONES & CO.,
NEWS BULLETINS.
42-44 Broad Street, New York. Telephone No. 1845 Broad.

Monday. January 30, 1899. No. 10

ST. LOUIS SOUTHWESTERN & ILLINOIS CENTRAL.

Flower & Co. have been buying St. Louis & Southwestern securities and current rumor is that E. H. Harriman is the principal in the transacton. This rumor grows out of the fact that Illinois Central last year made a connection with St. Louis Southwestern at Gray's point, both lines building about 20 miles of road to a common point. This gives St. Louis Southwestern the shortest line to Chicago from the Southwest. This new through route to Chicago has been long contemplated by the people interested in the old Cape Girardeau road. It had been hoped that Wabash instead of Illinois Central would make the connection with St. Louis Southwestern, but for some reason the Goulds always turned it down. Through business has been going over this line for several weeks and it has added to the earnings of both companies. But a director of St. Louis Southwestern says that the real effects have hardly been felt upon either system. This director further says it is just possible that Mr. Harriman and perhaps others see the immense possibilities of a closer alliance with Illinois Central and are therefore trying to bring one about. Knowledge of such negotiations would naturally lead to active buying of the cheaper securities. We have no evidence that any such negotiations are going on, but they seem to be a reasonable outcome of the present status of the two companies. Illinois Central would undoubtedly like very much to extend into the Southwest and this road would give it about the cheapest outlet. The immence through business which can be developed over this line is going to make St. Louis Southwestern a very valuable property.

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DOW, JONES
NEWS BULLETINS.
42-44 Broad Street, New York. Telephone No. 1845 Broad.
Tuesday. January 31, 1899. No. 8

ST. LOUIS SOUTHWESTERN.

The official announcement that the Chicago & Eastern Illinois will build from its southernmost point to a connection with St. Louis Southwestern road explains the recent buying by Flower & Co. of St. Louis & Southwestern securities. Flower & Co. are probably the largest stockholders of Chicago & Eastern Illinois. They of course know the value of the business which they can turn over to St. Louis Southwestern. An official of the C. & E. I. says: "We believe that a vigorous policy will throw a great deal of new business over St. Louis Southwestern. We have assurances that there will be a fair exchange of business with us and that is all we ask. It will be to the advantage of St. Louis Southwestern to give us a good share of their business. We can give them return freight in the shape of coal which will more than pay for lumber which may come north and east. We propose to build to Grey's Point from Marion, Ill., about sixty miles, out of the earnings of the company. We do not know that any new securities will be issued at present. This new connection will give the Chicago & Eastern Illinois an outlet to Galveston which is much desired.

DOW, JONES & CO.,
NEWS BULLETINS.
42-44 Broad Street, New York. Telephone No. 1845 Broad.
Wednesday. February 1, 1899. No. 11

ST. LOUIS SOUTHWESTERN.

The building of St. Louis Southwestern to Gray's Point seems to carry with it a change in policy which railroad men consider of great importance. St. Louis Southwestern had a line to the river opposite Cairo and this was practically its Eastern terminus. It is said to have been a line of difficult grades and with a ferry approach to Cairo lengthy and inconvenient. At Gray's Point conditions are quite different. The line of approach is easy the ferry is direct and short. In building to Gray's Point

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therefore, the management is said to have practically decided to make Gray's Point its eastern terminus and to abandon the terminus at Cairo, or at any rate to make the line to Cairo of secondary importance. This policy has not been openly announced, but there is evidence, railroad men say, that this will be the policy.

The New York News Bureau.

TELEPHONE: 981 BRO[illegible] NO. 41 BR[illegible]

No. 58. 1899 Friday, February 10.

ST. L. S. W. PROVIDING FOR IMPROVEMENTS.

Edwin Gould, president of the St. Louis Southwestern Railway Company, announces the sale by the company of the additional $1,000,000 second mortgage income bonds just listed, netting the company about $500,000. The proceeds of the bonds will be used for improvements and betterments. The company has had considerable floating debt for years, which has all been paid off and a substantial amount placed to the credit of the company. It is estimated that an expenditure of about $150,000 annually for improvements will suffice to keep the road in first class condition and will materially reduce the cost of operating.

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Wall St. Jour. May 16/1899.

COTTON BELT.

Those who have followed Cotton Belt earnings closely have been impressed with the steady improvement since Russell Harding assumed active charge of the management of that company. The predictions of its most sanguine friends are being realized to an extent that seems to justify much better results than they at first expected. We asked Mr. Harding to what in particular the improvement should be attributed, and he said:

"First of all general prosperity. Then improved physical condition with rates well maintained. We have bought quite a large amount of new heavy equipment, especially locomotives. We are working persistently to increase the train load. There has been a little improvement in the roadbed, and we have great opportunities before us in the way of reducing grades, etc. It is our intention to let none of these opportunities pass unimproved. As we get around to it we will undertake work of this character on our lines on an extensive scale.

"Our traffic relations with connecting roads—a very important matter on account of our situation—are eminently satisfactory. Our southern outlets are through the International & Great Northern, Houston & Texas Central, Atchison, Houston, East & West Texas. They give us good direct service, and we have no complaint on that score. As far as rates are concerned you may simply say that the people associated with us and for the most part those in competition with us are behaving themselves excellently. Missouri, Kansas & Texas is a competitor of ours, but the reduced rates to St. Louis in connection with the steamship line from eastern territory do not affect us, not being a Galveston line."

Mr. Harding was asked regarding the probable effect of the round bale method of handling cotton. He said that it had not yet been actively adopted in their section but undoubtedly would be very soon. He had investigated this matter closely and comes to the conclusion that the round bale is a great invention that is bound to reduce the cost of handling cotton very materially. The railroads are deeply interested in this, he said, particularly because it will enable them to haul more cotton with the same equipment, being packed more closely. This will not mean greater freight charges as they are based on the bale.

Speaking of general traffic conditions, he said that the lumber business showed a special improvement. This is accounted for by the large demand for yellow pine and oak, especially the heavier kinds, for building in cities and the country. The South, in his opinion, has entered upon an era of unprecedented prosperity and Cotton Belt has so bright a future that with the full accomplishment of the present policy of economy it will rank some day with the best road in the country. To put in effect the methods he learned from Mr. Hill, when general superintendent of Great Northern, he has the assistance of a couple of the brightest young men who were on Great Northern under him.

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Wall St. Review, May. 19/99

ST. LOUIS SOUTHWESTERN.

St. Louis Southwestern at the present time is an interesting property for several reasons. A floating financial item says that "the earnings for the first nine months of the fiscal year were larger than for any twelve months in the company's history." In point of fact the showing is remarkably good, but not quite so good as that. It is so good that no exaggeration is necessary. The gross earnings of the nine months to March 31 amounted to $4,599,000; for the year 1897-1898 to $5,279,000.

The really significant thing about the St. Louis and Southwestern's earnings is that in the nine months the road earned all of its fixed charges, and the full interest on the income bonds, and 2 per cent. on the preferred stock in addition. Or, put in another way, it earned its fixed charges for the full year, and the full 4 per cent. annual interest on the incomes for the year, and one-third of 1 per cent. on the preferred stock besides, so that all of the net earnings for the remaining three months of the fiscal year will be available for the stock, if the directors see fit to divide the money rather than to put it into the further improvement of the property. The expense account tells the story of this extraordinary development. In the nine months the road increased its gross earnings $365,000, but to get this additional money it expended only $97,000 more than the year before. The details that led up to this result will, we suspect, constitute one of the most instructive parts of the next annual report. Doubtless the saving will be found to lie wholly in the operating department. The record of the company of late has been such as to preclude the suspicion that maintenance is being slighted.

The company has made this report for the period in question—three-fourths of the current year:

Gross earnings	$4,599,021
Operating expenses	3,200,299
Net earnings	$1,389,792

The fixed charges for the year, including taxes and the 4 per cent. interest on the $20,000,000 of first mortgage bonds, stand approximately at $958,000, of which the proportion for nine months is $718,500. The recent sale of an ad tional $1,000,000 of second mortgage brings the total up to $9,000,000, which nine months' interest would $270,000. The proportional fixed charg incomes included, thus come to $988,5 leaving from the earnings shown abo a surplus of $401,000, or fully 2 per ce Or, figured differently, fixed charges comes included, for the full year w call for $1,318,000, which amount $71,000 less than has been earned ready; and $71,000, in turn, is more th one-third of 1 per cent. on the preferr capital. In view of these exhibits revival of interest in all of the co pany's securities is not at all surprisi

The existence of the Chicago a Eastern Illinois road to a junction w the St. Louis Southwestern, being n under way, is of significance in this co nection. The southern terminus of t Southwestern originally was at Bir Point, Mo., opposite Cairo, Ill. T maintenance of a transfer service acro the Mississippi at that place was fou to be exceedingly difficult and expe sive, and for that reason the compa two years ago made arangements the removal of its Mississippi Riv terminus to Gray's Point, Mo., not south of Cape Girardeau. Sevente miles of line was built to the river, a the Gray's Point terminus has now be in use about six months. The Illin Central, in order not to lose so valu ble a connection, at once extended system southward from near East Ca Girardeau, Ill., to Gale, Ill., oppos Gray's Point, and has established te minals there, a car ferry affording co nection with the Southwestern, as fo merly, at Cairo. To the same termin the Chicago and Eastern Illinois is no heading. This new connection will secured early in the coming fiscal yea The Southwestern will then have ava able two direct Chicago lines, as well access to additional Illinois and India coal fields, and a considerable increa in revenue because of the new alliance confidently anticipated.

The sale of second mortgage bon above alluded to has enabled the co pany to cancel its floating debt. financial condition is thus entirely ea and satisfactory, apart from the natu jubilation over the fine showing of gro and net earnings.

Ny. News Bureau, May. 23, 1899

ST. LOUIS SOUTHWESTERN.

The action of Governor Sayres, of Texas, permitting the bill authorizing the consolidation of the St. Louis Southwestern and the Tyler Southeastern Railroad to become a law without his signature will result in a material saving in expenses to the former company. The latter company is a part of the St. Louis Southwestern system. Two distinct organizations have been maintained, however, and the abolition of the Tyler Southeastern offices will result in a material cutting down in expenses. The Tyler Southeastern system

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10/6/

1900.

NINTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

FISCAL YEAR ENDED

JUNE 30, 1900.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY CO.

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

NINTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30TH, 1900.

ST. LOUIS:
SAM'L F. MYERSON PRINTING CO., THIRD AND VINE STREETS,
1900.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

DIRECTORS.

EDWIN GOULD . . . . . IRVINGTON, N. Y.

F. H. BRITTON	ST. LOUIS, MO.	WM. H. TAYLOR	NEW YORK, N. Y.
R. M. GALLAWAY	NEW YORK, N. Y.	ALBERT LOEB	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.	MURRAY CARLETON	ST. LOUIS, MO.
WINSLOW S. PIERCE	NEW YORK, N. Y.	A. L. WOLFF	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

OFFICERS.

EDWIN GOULD	*President*	IRVINGTON, N. Y.
F. H. BRITTON	*Vice-President and Gen'l Manager*	ST. LOUIS, MO.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
S. H. WEST	*General Attorney*	ST. LOUIS, MO.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Treasurer and Ass't Secretary*	ST. LOUIS, MO.
A. S. DODGE	*General Traffic Manager*	ST. LOUIS, MO.
R. S. DAVIS	*General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agent*	ST. LOUIS, MO.
R. H. BOWRON	*General Superintendent*	TYLER, TEX.
J. W. DONOVAN	*Sup't Transportation*	TYLER, TEX.
WM. N. NEFF	*Superintendent*	PINE BLUFF, ARK.
M. L. LYNCH	*Chief Engineer*	TYLER, TEX.
J. S. BERRY	*Sup't Water Service, Bridges and B'ld'gs*	TYLER, TEX.
R. H. JOHNSON	*General Master Mechanic*	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

DIRECTORS.

EDWIN GOULD . . . . . Irvington, N. Y.

F. H. BRITTON	St. Louis, Mo.	M. A. COOPER	Waco, Tex.
WINSLOW S. PIERCE	New York, N. Y.	TOM RANDOLPH	Sherman, Tex.
A. S. DODGE	St. Louis, Mo.	JAMES GARITTY	Corsicana, Tex.
R. H. BOWRON	Tyler, Tex.	W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

OFFICERS.

F. H. BRITTON	*President*	St. Louis, Mo.
R. H. BOWRON	*1st Vice-President and General Sup't*	Tyler, Tex.
A. S. DODGE	*2d Vice-President*	St. Louis, Mo.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
J. W. HOGAN	*Treasurer and Paymaster*	Tyler, Tex.
H. E. FARRELL	*General Freight Agent*	Tyler, Tex.
F. H. JONES	*General Passenger and Ticket Agent*	Tyler, Tex.
J. W. DONOVAN	*Sup't Transportation*	Tyler, Tex.
A. B. LIGGETT	*Superintendent*	Tyler, Tex.
M. L. LYNCH	*Chief Engineer*	Tyler, Tex.
J. S. BERRY	*Sup't Water Service, Bridges and B'ld'gs*	Tyler, Tex.
J. M. SCROGIN	*Master Mechanic*	Tyler, Tex.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

NEW YORK, Sept. 15, 1900.

To the Stockholders of the
St. Louis Southwestern Railway Company:

The Ninth Annual Report, showing the financial and physical condition of the property owned and controlled by this company, for the fiscal year ended June 30th, 1900, is herewith presented.

It is gratifying to note, from this report, the sound financial condition of the company at the close of the current fiscal year.

For the first time in the history of the property the full interest, 4%, on the second mortgage income bonds, $360,000.00, has been paid during the fiscal year, representing interest earned during the calendar year 1899. Prior to this the only interest ever paid on the second mortgage income bonds was during the preceding fiscal year, covering interest earned during the calendar year 1898—this payment amounting to $180,000.00, or at the rate of 2% per annum on the total amount of such bonds issued.

The physical condition of the property has been fully maintained and large expenditures have been made for betterments and heavier equipment, as indicated in detail in the report, which policy will be continued.

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On May 10th, 1899, the Legislature of Texas passed a special law, authorizing the St. Louis Southwestern Railway Company of Texas to purchase, own and operate the railway, property and franchises of the Tyler Southeastern Railway Company, prescribing therein certain conditions and requirements before such purchase and ownership should become effective. In due time the officers of both companies gave notice of a special stockholders' and directors' meeting, to vote on the proposition of the St. Louis Southwestern Railway Company of Texas, acquiring, purchasing, owning and operating the railway and property of the Tyler Southeastern Railway Company, and these meetings were held on the 6th day of October, 1899, and by practically a unanimous vote of all the stockholders of both companies, the terms of the special act of the Legislature were accepted, and the railway, property and franchises formerly of the Tyler Southeastern Railway Company were on that day purchased by, and conveyed by deed to, the St. Louis Southwestern Railway Company of Texas, which has since been operating the same. According to the terms of the sale the St. Louis Southwestern Railway Company of Texas acquired all the stock of the Tyler Southeastern Railway Company and assumed all of the indebtedness, secured and unsecured, of every kind, of that company. The Tyler Southeastern Railway Company is now practically out of existence.

It is a pleasure to here mention and acknowledge the efficient and loyal services of the officers and employes of the line, generally, throughout the year.

For the Directors,

EDWIN GOULD,

President.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE VICE-PRESIDENT AND GENERAL MANAGER.

ST. LOUIS, MO., September 1st, 1900.

MR. EDWIN GOULD, *President:*

DEAR SIR—The following report for the fiscal year ended June 30th, 1900, is respectfully submitted:

The average number of miles operated during the current fiscal year was 1,258.2 miles, an increase of 8.4 miles over the preceding fiscal year. The detail of mileage operated June 30th, 1900, may be found in Table No. 1 of the Appendix to this report.

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Decrease.
Average number of miles operated	1,258.2	1,249.8	8.4	—
Gross earnings	$5,908,284 19	$5,862,338 51	$ 45,945 68	—
Operating expenses (including betterments)	4,156,072 76	4,209,088 15	—	$ 53,015 39
Net earnings	$1,752,211 43	$1,653,250 36	$ 98,961 07	—
All other receipts	95,685 45	84,457 05	11,228 40	—
Total income	$1,847,896 88	$1,737,707 41	$110,189 47	—
Charges against income—				
Accrued interest on first mortgage bonds (4%)	$ 800,000 00	$ 800,000 00	—	—
Taxes accrued	151,566 54	133,494 85	$ 18,071 69	—
Equipment payments	204,889 41	171,061 72	33,827 69	—
Rental of leased lines (Gray's Point Terminal R'y)	16,950 00	9,887 50	7,062 50	—
Sundry amounts	44,198 30	34,647 79	9,550 51	—
Total	$1,217,604 25	$1,149,091 86	$ 68,512 39	—
Balance	$ 630,292 63	$ 588,615 55	$ 41,677 08	—
From which has been paid—				
Interest on second mortgage income bonds—				
Earned during calendar year 1898	—	180,000 00	180,000 00	—
" " " " 1899	360,000 00	—		
Surplus	$ 270,292 63	$ 408,615 55	—	$138,322 92

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The per cent. of operating expenses (including betterments) to gross earnings, for the fiscal year ended June 30th, 1900, was 70.34, and for the preceding year 71.80, while the per cent. of operating expenses (exclusive of betterments) was 65.50 for the current fiscal year, against 68.68 for the preceding year.

A further comparison of the general operating results for the current fiscal year with those of the preceding fiscal year will be shown in the following table:

Gross earnings	increase	$ 45,945 68	or	.78%
Operating expenses (including betterments)	decrease	53,015 39	or	1.26%
Net earnings	increase	98,961 07	or	5.99%
Betterments (included in operating expenses)	increase	103,245 49	or	56.49%
Operating expenses (excluding betterments)	decrease	156,260 88	or	3.88%
Number of revenue tons carried	increase	213,439	or	11.31%
Number of revenue tons carried one mile .	increase	31,734,917	or	8.34%
Average load per loaded car (revenue tons)	increase	1.11	or	9.49%
Average load per train (revenue tons) . . .	increase	28.42	or	15.84%
Number of passengers carried	increase	95,455	or	10.62%
Number of passengers carried one mile . .	increase	3,535,010	or	9.21%
Revenue train mileage	decrease	141,208	or	3.94%

During the current fiscal year there was a heavy shortage in the cotton crop throughout the country tributary to this line, resulting in a decrease, as compared with the preceding fiscal year, of 145,361 bales transported, equivalent to about $225,000.00 in revenue. The loss in revenue, on account of the short cotton crop, was, however, more than offset by a gain in other classes of freight traffic, and in passenger traffic; freight earnings showing a decrease of but $25,130.00, whereas gross earnings show an increase of $45,945.68.

There has been expended during the current fiscal year, and included in operating expenses, for betterments to roadway and track, the sum of $214,859.67, as against $143,753.54 during the preceding year, an increase of $71,106.13; and for additional appliances for equipment (made necessary, principally, to comply with the federal laws), also included in operating expenses, the sum of $71,138.16, against $38,998.80 during the preceding fiscal year, an increase of $32,139.36, making a total increase in

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betterments included in operating expenses of $103,245.49. All of the company's cars and locomotives of every class were fully equipped with automatic couplers, in compliance with the federal law, several months prior to the date of the taking effect thereof, viz.: August 1st, 1900. There has also been a sufficient number of the company's cars equipped with air brake appliances to fully comply with the law on the subject, but it is the policy of the management, as a matter of economy and safety, to continue to equip the cars with air brake appliances until all have been so equipped. Reference is here made to exhibit A, on page 19, containing a comparative statement of betterments included in operating expenses for the fiscal years ended June 30th, 1900 and 1899.

There has also been charged against "Income Account" during the current fiscal year for "Equipment Payments," on account of equipment trust obligations matured and paid, and additional equipment purchased, the sum of $204,889.41, as against $171,061.72 during the preceding fiscal year, an increase of $33,827.69.

In addition to the equipment trust obligations matured and paid during the current fiscal year and additional equipment purchased, which has been charged against "Income Account," as mentioned in the foregoing paragraph, "Equipment Replacement Fund" account shows a net reduction on June 30th, 1900, as compared with the same period of 1899, of $50,536.26. During the current fiscal year this account was credited with the value of equipment destroyed and old light equipment sold, to the amount of $118,821.58, and was charged with equipment purchased and built to replace equipment destroyed and sold, to the amount of $169,357.84, thus making the net decrease as stated. The credit balance standing in this account on June 30th, 1900, representing the value of equipment destroyed and sold which has not yet been replaced, amounted to $90,345.18. It is the policy of the management to replace

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destroyed equipment and light equipment disposed of by sale with heavier and more modern equipment as fast as possible. During the current fiscal year contracts were placed for five new passenger coaches and three new chair cars, seven new 8-wheel 18 x 26 passenger locomotives and six new 10-wheel 20 x 26 freight locomotives, all of which will be received and placed in service prior to the opening of the heavy business of the ensuing fall and winter months.

A connection with the Chicago & Eastern Illinois R. R. at Thebes, Ill., on the east bank of the Mississippi River, opposite Gray's Point, Mo., mentioned in the preceding annual report, was effected during the past winter and was formally opened for freight business on February 21st, 1900, and through passenger train service between Chicago and Texas points was inaugurated on May 15th, 1900.

A traffic agreement was entered into with the St. Louis, Iron Mountain & Southern Ry. Co., effective May 15th, 1900, for the joint use of the terminals of that company at Memphis, Tenn., under the terms of which this company has established independent local freight and passenger agencies at that point.

Effective April 1st, 1900, this company entered into an agreement with the Texas & Pacific Ry. Co., for trackage rights for this company's passenger trains between Hodge and Ft. Worth, Tex., a distance of six and one-half miles; also for the joint use of the Texas & Pacific Ry. Co.'s union passenger station and terminals at Ft. Worth, Tex., thus placing this line on a parity with other lines at that point for passenger traffic.

"Cost of Road and Equipment" account was credited during the current fiscal year with all amounts charged to that account prior to July 1st, 1899, in excess of the amount of bonds and stock issued, such charges being principally for new equipment purchased under trust agreements, right of way settlements, etc. Of the total amount thus credited to "Cost of Road and Equipment" account, "Profit and Loss" account was charged

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with all amounts actually paid to July 1st, 1899, it being the intention that "Income Account" shall be charged each fiscal year thereafter with the amounts of the outstanding equipment trust notes as such notes mature and are paid.

The contents of the several chapters headed, respectively, "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way and Structures," "Maintenance of Equipment," etc., which follow, will give a detailed analysis of the results from operation and of the maintenance and improvement of the property.

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FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1900.
2. Statement of profit and loss account, to June 30th, 1900.
3. Condensed balance sheet, June 30th, 1900.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year; also the company's financial condition at the close of the fiscal year ended June 30th, 1900, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Betterments	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Equipment payments charged against income account	" D.
Rental of leased lines	" E.
Sundry amounts charged against income account	" F.
Interest on bonds owned	" G.
Trackage rentals	" H.
All other receipts credited income account	" I.
Cost of road and equipment	" J.
Gray's Point Terminal Railway leasehold	" K.
Construction accounts	" L.
Real estate	" M.
Investments in stocks and bonds	" N.
Miscellaneous accounts (assets)	" O.
Capital stock	" P.
Funded debt	" Q.
Gray's Point Terminal Ry. Co. 1st mortgage bonds, guaranteed	" R.
Equipment trust obligations	" S.
Current assets and deferred and current liabilities	" T.
Miscellaneous accounts (liabilities)	" U.
Summary of financial transactions	" V.

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Income Account—Entire System—Year Ended June 30th, 1900.

To Expenses (see exh. A, page 18)—			By Earnings (see exh. A, page 18)—		
Maintenance of way and structures	$1,062,760 03		Freight	$4,594,855 26	
Maintenance of equipment	685,122 83		Passenger	1,013,026 96	
Conducting transportation	2,106,869 84		Mail	174,540 47	
General expenses	301,320 06	$4,156,072 76	Express	73,895 45	
			Telegraph	5,643 37	
Net earnings	—	1,752,211 43	Miscellaneous	46,322 68	$5,908,284 19
		$5,908,284 19			$5,908,284 19
To Accrued interest on first mortgage bonds (see exh. B, p. 19)	$ 800,000 00		By Net earnings brought down	—	$1,752,211 43
Taxes accrued " C, " 20)	151,566 54		Interest on bonds owned (see exh. G, page 21)	$ 7,510 00	
Equipment payments " D, " 20)	204,889 41		Trackage rentals (see exh. H, p. 21)	3,960 00	
Rental of leased lines (Gray's Pt. Ter. Ry.) " E, " 21)	16,950 00		All other receipts (see exh. I, p. 22)	84,215 45	95,685 45
Sundry amounts " F, " 21)	44,198 30				
Total	$1,217,604 25				
Add: Interest on second mortgage income bonds earned during calendar year ended December 31st, 1899 (4%) (see exh. B, p. 19)	360,000 00	$1,577,604 25			
Surplus income for fiscal year ended June 30th, 1900, carried to credit of profit and loss account	—	270,292 63			
Total	—	$1,847,896 88	Total	—	$1,847,896 88

Profit and Loss Account—Entire System—June 30th, 1900.

To Amount paid in settlement of judgments, etc., against Receivers St. L. A. & T. Ry.		$ 2,032 70	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1899	$1,352,517 17
Amount transferred from "Cost of Road and Equipment"—representing net amount expended and charged to that account since the organization of the company (June 1st, 1891), to June 30th, 1899, in excess of the amount of bonds and stock issued—			Surplus income from operation for fiscal year ended June 30th, 1900, brought down	270,292 63
New equipment	$930,950 92			
Right of way and real estate	25,137 24	956,088 16		
Balance to credit of profit and loss account, June 30th, 1900		664,688 94		
Total		$1,622,809 80	Total	$1,622,809 80

Note—See appendix for income account and profit and loss account of each company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1900.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. J, page 22)		$65,500,000 00	- $1,405,084 54
Gray's Pt. Ter. Ry. leasehold (see exh. K, page 23)		339,000 00	—
Construction accounts (see exh. L, page 23)		20,722 81	—
Real estate (see exh. M, page 23)		27,327 95	—
Investments (see exh. N, page 24)—			
Stocks and bonds owned		363,039 21	—
Current assets (see exh. T, page 27)—			
Cash	$620,827 64	—	+ 231,798 09
Sundry accounts collectible	279,944 23	—	+ 55,314 90
Advances to sundry agents (to be accounted for)	26,636 92	—	- 12,505 33
Prepaid insurance	9,308 37	—	+ 3,573 73
	$936,717 16	—	—
Supplies on hand	391,545 31	—	- 1,406 57
		1,328,262 47	—
Miscellaneous accounts (see exh. O, page 24)		460,516 78	+ 407,695 85
Total		$68,038,869 22	- $720,613 87

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock (see exh. P, page 25)—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt (see exh. Q, page 25)—			
1st mortgage bonds (4%)	$20,000,000 00		
2d mortgage income bonds (4% if earned)	9,000,000 00	29,000,000 00	—
Gray's Point Terminal R'y Co. 1st mortgage bonds guaranteed (5%) (see exh. R, page 25)		339,000 00	—
Equipment trust obligations (see exh. S, page 26)		584,831 78	+ $ 84,156 64
Deferred liabilities (see exh. T, page 28)—			
Notes payable due on stated dates after July 1st		—	- 3,000 00
Interest on bonds—accrued, not due	$343,725 83	—	+ 28,980 00
Taxes accrued year 1900—not due until 1901	68,903 83	—	+ 3,368 26
Hospital fund	1,380 71	—	- 1,612 78
		414,010 37	—
Current liabilities (see exh. T, page 28)—			
Audited vouchers unpaid	$166,395 05	—	- 53,517 14
Audited pay-rolls unpaid	225,642 20	—	- 43,467 86
Interest on bonds—due and unpaid (unpresented coupons)	53,955 70	—	+ 9,550 70
		445,992 95	—
Miscellaneous accounts (see exh. U, page 28)		90,345 18	- 57,243 46
Balance to credit of profit and loss account, June 30th, 1900, as per detailed exhibit on preceding page		684,688 94	- 687,828 23
Total		$68,038,869 22	- $720,613 87

NOTE.—See appendix for condensed balance sheet of each company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes.

Entire System.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Per cent.	Decrease.	Per cent.
Earnings—						
Freight	$4,594,855 26	$4,619,985 26	—	—	$ 25,130 00	.54
Passenger—local	627,636 99	571,745 52	$ 55,891 47	9.78	—	—
Passenger—foreign	385,389 97	339,121 75	46,268 22	13.64	—	—
Mail	174,540 47	175,209 64	—	—	669 17	.38
Express	73,895 45	72,000 00	1,895 45	2.63	—	—
Telegraph	5,643 37	6,058 61	—	—	415 24	6.85
Miscellaneous	46,322 68	78,217 73	—	—	31,895 05	40.78
Total	$5,908,284 19	$5,862,338 51	$ 45,945 68	.78	—	—
Earnings per mile of road	$ 4,695 82	$ 4,690 62	$ 5.20	.11	—	—
Expenses (including betterments)						
Maintenance of way and structures	$1,062,760 03	$1,101,648 55	—	—	$ 38,888 52	3.53
Maintenance of equipment	685,122 83	647,380 73	$ 37,742 10	5.83	—	—
Conducting transportation	2,106,869 84	2,170,464 01	—	—	63,594 17	2.93
General expenses	301,320 06	289,594 86	11,725 20	4.05	—	—
Total	$4,156,072 76	$4,209,088 15	—	—	$ 53,015 39	1.26
Expenses per mile of road	$ 3,303 19	$ 3,367 81	—	—	$ 64 62	1.92
Percentage of expenses to earnings	70.34	71.80	—	—	1.46	2.03
Net Earnings—	$1,752,211 43	$1,653,250 36	$ 98,961 07	5.99	—	—
Per mile of road	$ 1,392 63	$ 1,322 81	$ 69 82	5.28	—	—
Percentage of total earnings	29.66	28.20	1.46	5.18	—	—
Expenses and Taxes—						
Expenses	$4,156,072 76	$4,209,088 15	—	—	$ 53,015 39	1.26
Taxes accrued	151,566 54	133,494 85	18,071 69	13.54	—	—
Total	$4,307,639 30	$4,342,583 00	—	—	$ 34,943 70	.80
Per mile of road	$ 3,423 65	$ 3,474 62	—	—	$ 50 97	1.47
Percentage of total earnings	72.91	74.08	—	—	1.17	1.58
Surplus after paying taxes	$1,600,644 89	$1,519,755 51	$ 80,889 38	5.32	—	—
Per mile of road	$ 1,272 17	$ 1,216 00	$ 56 17	4.62	—	—

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EXHIBIT A—*Continued.*

BETTERMENTS—ENTIRE SYSTEM.

INCLUDED IN OPERATING EXPENSES IN FOREGOING STATEMENT.

TITLE OF ACCOUNT AND NATURE OF EXPENSE.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Decrease.
MAINTENANCE OF WAY AND STRUCTURES—				
New buildings for transportation department	$ 8,997 44	$ 2,659 70	$ 6,337 74	—
New buildings for road department	34 02	216 58	—	$ 182 56
New roundhouses and shops	12,482 36	21,273 16	—	8,790 80
New fuel and water stations	8,449 83	4,902 00	3,547 83	—
New grain elevators, coal bunkers and stock yards	689 31	1,089 93	—	400 62
New miscellaneous buildings	6,045 13	1,126 27	4,918 86	—
New machinery and tools	2,357 66	6,499 94	—	4,142 28
New side tracks	24,508 65	31,934 05	—	7,425 40
New bridges and culverts	8,746 26	—	8,746 26	—
Masonry	493 53	—	493 53	—
New fences	25,268 90	44,102 04	—	18,833 14
Rails	19,113 05	5,454 83	13,658 22	—
Fastenings, etc	3,862 70	1,786 16	2,076 54	—
Roadway and track	88,454 16	22,708 88	65,745 28	—
Right of way	956 10	—	956 10	—
Real estate	4,131 14	—	4,131 14	—
New telegraph	269 43	—	269 43	—
Total	$ 214,859 67	$ 143,753 54	$ 71,106 13	—
MAINTENANCE OF EQUIPMENT—				
Additional appliances for equipment	$ 71,138 16	$ 38,998 80	$ 32,139 36	—
Total	$ 285,997 83	$ 182,752 34	$103,245 49	—

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

FIRST MORTGAGE—		
Coupon No. 18, due Nov. 1st, 1899 (4%)	$400,000 00	
Coupon No. 19, due May 1st, 1900 (4%)	400,000 00	$800,000 00
SECOND MORTGAGE INCOME—		
Interest earned during calendar year ended December 31st, 1899, authorized paid by Board of Directors (full interest 4%)		360,000 00
Total		$1,160,000 00

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EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

Taxes accrued, fiscal year ended June 30th, 1900	$151,566 54
Taxes accrued, fiscal year ended June 30th, 1899	133,494 85
Increase, this year	$ 18,071 69

NOTE.—The results for the fiscal year ended June 30th, 1900, as shown in this table, includes $6,632.65 for U. S. Internal Revenue stamp taxes, charged to this account, in accord with recommendation of the Interstate Commerce Commission. Similar expenditures for fiscal year ended June 30th, 1899, amounting to $5,368.91, were charged to "General Expenses," and are, therefore, not included in this exhibit.

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1899.	Year 1898.	Increase.	Decrease.
Missouri	$ 13,734 09	$ 15,081 02	—	$1,346 93
Arkansas	57,141 53	54,448 02	$ 2,693 51	—
Louisiana	7,579 63	6,922 85	656 78	—
Texas	66,287 91	58,830 75	7,457 16	—
U. S. Internal Revenue stamp taxes	6,603 79	3,138 29	3,465 50	—
Total taxes paid—calendar year	$151,346 95	$138,420 93	$12,926 02	—

EXHIBIT D.

EQUIPMENT PAYMENTS CHARGED AGAINST INCOME ACCOUNT—ENTIRE SYSTEM.

ITEM.	Year ended June 30th, 1900.
Equipment trust obligations matured and paid	$140,458 56
Additional equipment paid for in cash, viz.: Steamer "Charles Merriam," three 10-wheel 20 x 26 locomotives and miscellaneous work equipment	64,430 85
Total	$204,889 41

NOTE.—Equipment payments during fiscal year ended June 30th, 1899, amounted to $171,061.72. This amount was charged during that year against "Cost of Road and Equipment," but was transferred during fiscal year ended June 30th, 1900 (together with similar payments made during preceding fiscal years), to the debit of "Profit and Loss" account.

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EXHIBIT E.

Rental of Leased Lines—Entire System.

Gray's Point Terminal Ry.—	
Interest on 1st mortgage bonds guaranteed as basis of rental, to-wit:	
July 1st, 1899, to June 30th, 1900, twelve months at 5% on $339,000 00	$16,950 00

EXHIBIT F.

Sundry Amounts Charged Against Income Account—Entire System.

Description.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase	Decrease
Interest and exchange	—	$13,256 99	—	$13,256 99
Adjustment of sundry accounts	$44,198 30	21,390 80	$22,807 50	—
Total	$44,198 30	$34,647 79	$ 9,550 51	—

EXHIBIT G.

Interest on Bonds Owned—Entire System.

Item.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.
Paragould Southeastern Ry. Co., 1st mortgage 6%. $56,000 00. Interest 12 months	$ 3,360 00	$3,360 00	—
Pine Bluff, Arkansas River Ry., 1st mortgage 5%. $50,000 00. Interest 5 months	—	1,041 66	—
50,000 00. " 12 "	2,500 00	—	$1,458 34
Gray's Point Terminal Ry. Co., 1st mortgage 5%. $33,000 00. Interest 7 months	—	962 50	—
33,000 00. " 12 "	1,650 00	—	687 50
Total	$ 7,510 00	$ 5,364 16	$ 2,145 84

EXHIBIT H.

Trackage Rentals—Entire System.

Magnolia Branch (McNeil to Magnolia, Ark., 6.4 miles):	
Leased to the Louisiana & Northwest R. R., 12 months, at $330.00 per month	$3,960 00

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EXHIBIT I.

All Other Receipts—Credited Income Account—Entire System.

Description.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.
Interest and exchange	$ 8,249 00	—	$ 8,249 00
Adjustment of sundry accounts	75,966 45	$75,462 89	503 56
Total	$84,215 45	$75,462 89	$ 8,752 56

EXHIBIT J.

Cost of Road and Equipment—Entire System.

Description.	Year ended June 30, 1900.	Year ended June 30, 1899.	Decrease.
Bonds Issued—			
First mortgage	$20,000,000 00	$20,000,000 00	—
Second mortgage income	9,000,000 00	9,000,000 00	—
Stock Issued—			
Preferred	20,000,000 00	20,000,000 00	—
Common	16,500,000 00	16,500,000 00	—
Equipment—			
Net amount expended since the organization of the Company (June 1st, 1891) to June 30th, 1899, transferred during fiscal year ended June 30th, 1900, to debit of "Profit and Loss" account	—	932,093 09	$ 932,093 09
Amount of unpaid equipment trust notes on June 30th, 1899, transferred during fiscal year ended June 30th, 1900, to debit of "Trust Equipment—Unpaid Balance" account	—	447,854 21	447,854 21
Right of Way and Real Estate—			
Net amount expended since the organization of the Company (June 1st, 1891) to June 30th, 1899, transferred during fiscal year ended June 30th, 1900, to debit of "Profit and Loss" account	—	25,137 24	25,137 24
Total	$65,500,000 00	$66,905,084 54	$1,405,084 54

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EXHIBIT K.

GRAY'S POINT TERMINAL RAILWAY—LEASEHOLD.

GRAY'S POINT TERMINAL RY.—		
Property leased: Gray's Point to Delta, Mo.		
Main track	16.4 miles.	
Side track	6.2 miles.	
Total	22.6 miles.	
In consideration of 50 years' lease, principal and interest guaranteed by the St. Louis Southwestern Ry. Co. on First Mortgage Bonds, Gray's Point Terminal Ry. Co., as follows: Bonds dated December 1st, 1897, due December 1st, 1947—50 years. Interest 5% due semi-annually on June 1st and December 1st.		
339 Bonds @ $1,000.00 each		$ 339,000 00

EXHIBIT L.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta extension	$20,722 81

During the fiscal year ended June 30th, 1900, no change has been made in this account.

EXHIBIT M.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock, Ark. (not used for railroad purposes)	$27,327 95

During the fiscal year ended June 30th, 1900, no change has been made in this account.

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EXHIBIT N.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year	June 30, 1900.		June 30, 1899.	
		Face value	Cost to Co.	Face value	Cost to Co.
Capital stock, St. L. S. W. Ry. Co.—preferred . . .	—	$ 106,350 00	$106,350 00	$ 106,350 00	$106,350 00
Capital stock, St. L. S. W. Ry. Co.—common . . .	—	143,900 00	143,900 00	143,900 00	143,900 00
Capital stock, Paragould Southeastern Ry. Co. .	—	56,000 00	—	56,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	$3,360 00	56,000 00	51,937 50	56,000 00	51,937 50
Capital stock, Pine Bluff Arkansas River Ry. . .	—	100,000 00	—	100,000 00	—
First mortgage bonds, Pine Bluff Ark. River Ry.—5%	2,500 00	50,000 00	27,851 70	50,000 00	27,851 70
Capital stock, Gray's Point Terminal Ry. Co	—	500,000 00	—	500,000 00	—
First mortgage bonds, Gray's Point Terminal Ry. Co.—5%	1,650 00	33,000 00	33,000 01	33,000 00	33,000 01
Total	$7,510 00	$1,045,250 00	$363,039 21	$1,045,250 00	$363,039 21
Increase current fiscal year	$2,145 84	—	—	—	—

EXHIBIT O.

MISCELLANEOUS ACCOUNTS (ASSETS)—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Decrease.
UNACCRUED INTEREST ON EQUIPMENT TRUST NOTES— Transferred to "Trust Equipment—Unpaid Balance"	—	$52,820 93	—	$52,820 93
TRUST EQUIPMENT—UNPAID BALANCE— Transferred from "Cost of Road and Equipment," $407,695.85, and from "Unaccrued Interest on Equipment Trust Notes," $52,820.93	$460,516 78	—	$460,516 78	—
Total	$460,516 78	$52,820 93	$407,695 85	—

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EXHIBIT P.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1900.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total	365,000	—	$36,500,000 00	$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT Q.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1900.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov.1, 1890.	Nov.1, 1989,	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov.1, 1890.	Nov.1, 1989.	10,000,000 00	9,000,000 00	9,000,000 00	*4%	January and July
Total			$30,000,000 00	$29,000,000 00	$29,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

EXHIBIT R.

GRAY'S POINT TERMINAL RY. CO. FIRST MORTGAGE BONDS, GUARANTEED.

JUNE 30th, 1900.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Dec.1, 1897.	Dec.1, 1947.	* $500,000 00	$ 339,000 00	$ 339,000 00	5%	June and Decemb'r

*Authorized issue at rate of $15,000.00 per mile for each mile of main track, side track and terminal track when completed.

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EXHIBIT S.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1900.

Total outstanding June 30th, 1899		$ 500,675 14
Add—		
Notes (covering deferred payments and interest) issued during fiscal year ended June 30th, 1900, on account of following agreements:		
Missouri Car & Foundry Co.—Series M 1, for 200 box cars, 60,000 pounds capacity	$ 94,675 20	
Madison Ry. Equipment Co.—Series B 1, for 288 box (furniture) cars, 60,000 pounds capacity	126,960 00	221,635 20
Total		$ 722,310 34
Deduct—		
Notes paid during fiscal year ended June 30th, 1900		137,478 56
Total outstanding June 30th, 1900, shown in detail below		$ 584,831 78

DESCRIPTION.	Due during year ended					Total.
	June 30, 1901.	June 30, 1902.	June 30, 1903.	June 30, 1904.	June 30, 1905.	
St.L.,A.&T.Ry. Series A 37	$ 17,791 20	$ 17,791 20	$ 17,791 20	$ 5,930 40	—	$ 59,304 00
St. L. S.-W. Ry. Series A	25,000 00	25,000 00	25,000 00	—	—	75,000 00
Series X 1	29,679 12	29,679 12	14,839 56	—	—	74,197 80
Series X 2	19,822 92	19,822 92	19,822 92	8,259 55	—	67,728 31
Series X 3	6,494 52	6,494 52	6,494 52	3,788 47	—	23,272 03
Series R 1	12,766 44	12,766 44	12,766 44	4,255 48	—	42,554 80
Series P 1	10,656 00	10,656 00	10,656 00	4,440 00	—	36,408 00
Series M 1	18,935 04	18,935 04	18,935 04	18,935 04	$6,311 68	82,051 84
Series B 1	31,740 00	31,740 00	31,740 00	29,095 00	—	124,315 00
Total	$172,885 24	$172,885 24	$158,045 68	$74,703 94	$6,311 68	$584,831 78

Average annual payment for five years $116,966 36

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EXHIBIT T.

CURRENT ASSETS AND DEFERRED AND CURRENT LIABILITIES.

ENTIRE SYSTEM.	June 30, 1900.	June 30, 1899.	+Increase. -Decrease. This year.
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$ 277,018 58	$ 83,652 88	+$193,365 70
Remittances in transit from agents and conductors	73,273 71	73,916 16	- 642 45
In hands of Paymaster	5,408 36	4,082 89	+ 1,325 47
On deposit to pay unpresented coupons:			
Central Trust Co. of New York (St. L. S.-W. Ry. Co. 1st mortgage 4%)	43,380 00	43,280 00	+ 100 00
Mercantile Trust Co. (St. L. S.-W. Ry. Co. 2d mortgage income)	218,705 70	180,000 00	+ 38,705 70
St. Louis Trust Co. (Gray's Point Ter. Ry. Co. 5%)	850 00	1,125 00	- 275 00
On deposit with Brooklyn Trust Co., N.Y.	48	697 40	- 696 92
On deposit with Mercantile Trust Co.	2,190 81	2,275 22	- 84 41
	$ 620,827 64	$ 389,029 55	+$231,798 09
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 45,428 95	$ 9,729 14	+$ 35,699 81
Bills receivable	7,620 71	5,812 52	+ 1,808 19
U. S. Post Office Department	43,567 16	43,726 60	- 159 44
Pacific Express Co	6,000 00	6,000 00	—
Individuals and companies—open acc'ts,	177,327 41	159,361 07	+ 17,966 34
	$ 279,944 23	$ 224,629 33	+$ 55,314 90
ADVANCES TO SUNDRY AGENTS (to be accounted for)	$ 26,636 92	$ 39,142 25	-$ 12,505 33
PREPAID INSURANCE	$ 9,308 37	$ 5,734 64	+$ 3,573 73
SUPPLIES ON HAND—			
General store	$ 259,290 84	$ 243,527 99	+$ 15,762 85
Fuel store	24,599 41	37,994 36	- 13,394 95
Bridge and building store	36,942 31	52,791 57	- 15,849 26
Superintendent's store	16,687 06	20,328 20	- 3,641 14
Cross tie store	17,203 37	13,577 37	+ 3,626 00
Steel rail store	283 42	2,274 34	- 1,990 92
Second-hand rail store	11,438 78	15,437 49	- 3,998 71
Stationery store	7,353 55	5,549 87	+ 1,803 68
War revenue stamps	738 99	706 61	+ 32 38
Commissary store	568 33	379 01	+ 189 32
Material suspense account	16,439 25	385 07	+ 16,054 18
	$ 391,545 31	$ 392,951 88	-$ 1,406 57
Total current assets *(carried forward)*,	$1,328,262 47	$1,051,487 65	+$276,774 82

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EXHIBIT T—*Continued.*

Current Assets and Deferred and Current Liabilities.

Entire System.	June 30, 1900.	June 30, 1899.	+ Increase, - Decrease, This year.
Total current assets (*brought forward*)	$1,328,262 47	$1,051,487 65	+ $276,774 82
DEFERRED AND CURRENT LIABILITIES.			
Deferred—			
Notes payable—due on stated dates after July 1st	—	$ 3,000 00	- $ 3,000 00
Interest on bonds, accrued not due	$ 343,725 83	314,745 83	+ 28,980 00
Taxes accrued to June 30th—not due until December 31st	68,903 83	65,535 57	+ 3,368 26
Hospital fund	1,380 71	2,993 49	- 1,612 78
	$ 414,010 37	$ 386,274 89	+ $ 27,735 48
Current—			
Audited vouchers unpaid	$ 166,395 05	$ 219,912 19	- $ 53,517 14
Audited pay-rolls unpaid	225,642 20	269,110 06	- 43,467 86
Interest on bonds—due and unpaid (unpresented coupons)	53,955 70	44,405 00	+ 9,550 70
	$ 445,992 95	$ 533,427 25	- $ 87,434 30
Total deferred and current liabilities	$ 860,003 32	$ 919,702 14	- $ 59,698 82
Current assets in excess of liabilities	$ 468,259 15	$ 131,785 51	+ $ 336,473 64
Add—			
Market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit N, page 24	155,514 45	169,762 70	- 14,248 25
Excess assets	$ 623,773 60	$ 301,548 21	+ $ 322,225 39

EXHIBIT U.

Miscellaneous Accounts (Liabilities)—Entire System.

Description.	Year ended June 30, 1900.	Year ended June 30, 1899.	Decrease.
Equipment replacement fund	$ 90,345 18	$140,881 44	$ 50,536 26
Donated town lot sales	—	6,707 20	6,707 20
Total	$ 90,345 18	$147,588 64	$ 57,243 46

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EXHIBIT V.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1900.

The following statement, considered in connection with the foregoing financial exhibits, furnishes, in a condensed form, an analysis of all resources; showing, also, how the same were appropriated during the fiscal year ended June 30th, 1900.

RESOURCES.			
Cash balance July 1st, 1899			$ 83,652 88
Gross earnings from operation		$ 5,908,284 19	
Miscellaneous income		95,685 45	
Increase in equipment trust obligations:			
Notes issued (covering deferred payments and int.) for new equipment purchased,	$ 221,635 20		
Less notes paid	137,478 56	84,156 64	
Cost of road and equipment:			
Net amount expended since the organization of the company (June 1st, 1891) to June 30th, 1899, transferred to the following accounts:			
Profit and loss account—For new equipment . . . $930,950 92			
For right-of-way and real estate 25,137 24	$ 956,088 16		
Operating expenses (maintenance of way and structures) for new equipment	1,142 17		
Amt. of unpaid equipment trust notes on June 30th, 1899, transferred to "Trust Equipm't–Unpaid Bal."	447,854 21	1,405,084 54	
Increase in deferred liabilities		27,735 48	7,520,946 30
			$7,604,599 18
APPROPRIATION OF RESOURCES.			
Operating expenses (including betterments)		$ 4,156,072 76	
Interest in full on 1st and 2d mortgage bonds, taxes and all other payments charged against income		1,577,604 25	
Settlement of judgments, etc., vs. Receivers St. L., A. & T. Ry. in Ark. and Mo.		2,032 70	
Profit and loss account:			
Net amount expended since the organization of the company (June 1st, 1891) to June 30th, 1899, transferred from "Cost of Road and Equipment," viz.:			
For new equipment	$ 930,950 92		
For right-of-way and real estate	25,137 24	956,088 16	
Increase in current assets (exclusive of cash in hands of Treasurer)		83,409 12	
Decrease in current liabilities		87,434 30	
Decrease in miscellaneous liabilities		57,243 46	
Increase in miscellaneous assets		407,695 85	7,327,580 60
Cash balance June 30th, 1900			$ 277,018 58

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TRAFFIC.

Passenger Traffic—Entire System.

Item.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	994,503	899,048	95,455	10.62	—	—
Number of passengers carried one mile	41,908,926	38,373,916	3,535,010	9.21	—	—
Number of passengers carried one mile per mile of road . .	33,309	30,704	2,605	8.48	—	—
Average distance one passenger carried (miles)	42.14	42.68	—	—	.54	1.27
*Total passenger revenue . . .	$1,013,026.96	$910,867.27	$102,159.69	11.22	—	—
*Average revenue per passeng'r	$1.0186	$1.0131	$0.0055	.54	—	—
*Average revenue per passenger per mile	$0.0242	$0.0237	$0.0005	2.11	—	—

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

Freight Traffic—Entire System.

Item.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Per cent.	Decrease	Per cent.
Number of revenue tons carried	2,101,048	1,887,609	213,439	11.31	—	—
Number of revenue tons carried one mile	412,395,505	380,660,588	31,734,917	8.34	—	—
Number of revenue tons carried one mile per mile of road	327,766	304,577	23,189	7.61	—	—
Average distance haul of one revenue ton (miles)	196.28	201.66	—	—	5.38	2.67
*Total freight revenue . .	$4,594,855.26	$4,619,985.26	—	—	$25,130.00	.54
*Average revenue per revenue ton	$2.1869	$2.4475	—	—	$0.2606	10.65
*Average revenue per revenue ton per mile .	$0.0111	$0.0121	—	—	$0.0010	8.26

*Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

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Classification of Revenue Tonnage—Entire System.

Commodities.	Year ended June 30, 1900.		Year ended June 30, 1899.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Grain	131,707	6.27	108,916	5.77	22,791	20.93	—	—
Flour	52,052	2.48	43,345	2.30	8,707	20.09	—	—
Other mill products	24,599	1.17	20,272	1.07	4,327	21.34	—	—
Hay	28,242	1.34	25,273	1.34	2,969	11.75	—	—
Tobacco	566	.03	744	.04	—	—	178	23.92
Cotton	138,437	6.59	193,061	10.23	—	—	54,624	28.29
Cotton seed products	109,463	5.21	147,307	7.80	—	—	37,844	25.69
Fruit and vegetables	43,576	2.07	39,903	2.11	3,673	9.20	—	—
Live stock	52,078	2.48	51,801	2.74	277	.53	—	—
Dressed meats	312	.02	286	.02	26	9.09	—	—
Other packing house products	22,430	1.07	19,072	1.01	3,358	17.61	—	—
Poultry, game and fish	194	.01	184	.01	10	5.43	—	—
Wool	29	.00	22	.00	7	31.82	—	—
Hides and leather	298	.01	278	.01	20	7.19	—	—
Anthracite coal	218	.01	387	.02	—	—	169	43.67
Bituminous coal	58,137	2.77	42,453	2.25	15,684	36.94	—	—
Coke	9,120	.43	5,827	.31	3,293	56.51	—	—
Ores	3,088	.15	2,824	.15	264	9.35	—	—
Salt	7,801	.37	10,646	.56	—	—	2,845	26.72
Stone, sand and other like articles	9,353	.45	9,425	.50	—	—	72	.76
Lumber	1,071,146	50.98	871,518	46.17	199,628	22.91	—	—
Petroleum and other oils	33,789	1.61	25,778	1.36	8,011	31.08	—	—
Sugar	15,680	.75	8,597	.46	7,083	82.39	—	—
Naval stores	278	.01	260	.01	18	6.92	—	—
Iron, pig and bloom	10,347	.49	9,724	.52	623	6.41	—	—
Iron and steel rails	11,146	.53	8,713	.46	2,433	27.92	—	—
Other castings and machinery	28,637	1.36	20,528	1.09	8,109	39.50	—	—
Bar and sheet metal	4,342	.21	2,949	.16	1,393	47.24	—	—
Cement, brick and lime	30,028	1.43	24,827	1.32	5,201	20.95	—	—
Agricultural implements	4,486	.21	3,388	.18	1,098	32.41	—	—
Wagons, carriages, tools, etc.	8,440	.40	10,852	.57	—	—	2,412	22.23
Wines, liquors and beers	8,892	.42	8,410	.45	482	5.73	—	—
Household goods and furniture	9,048	.43	8,252	.44	796	9.65	—	—
Merchandise	102,706	4.89	96,627	5.12	6,079	6.29	—	—
Miscellaneous	70,383	3.35	65,160	3.45	5,223	8.02	—	—
Total	2,101,048	100.00	1,887,609	100.00	213,439	11.31	—	—
Tonnage originating on this system	1,380,131	65.69	1,227,617	65.04	152,514	12.42	—	—
Tonnage received from connecting lines	720,917	34.31	659,992	34.96	60,925	9.23	—	—
Total	2,101,048	100.00	1,887,609	100.00	213,439	11.31	—	—
Tonnage north-bound	1,078,820	51.35	1,070,615	56.72	8,205	.77	—	—
Tonnage south-bound	1,022,228	48.65	816,994	43.28	205,234	25.12	—	—
Total	2,101,048	100.00	1,887,609	100.00	213,439	11.31	—	—

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

FREIGHT.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year	5,506	5,212	294	5.64	—	—
Average number of freight cars in service during the year	5,010	5,019	—	—	.9	.18
Number of miles run by all freight trains (including mixed trains)	1,983,970	2,121,358	—	—	137,388	6.48
Number of miles run by freight cars on this line—						
Loaded	32,197,366	32,542,857	—	—	345,491	1.06
Empty	10,023,827	10,553,322	—	—	529,495	5.02
All	42,221,193	43,096,179	—	—	874,986	2.03
Home	22,554,311	23,261,396	—	—	707,085	3.04
Foreign	19,666,882	19,834,783	—	—	167,901	.85
Number of miles run by home cars on foreign lines	18,024,830	17,254,603	770,227	4.46	—	—
Percentage of empty car mileage to total car mileage	23.74	24.49	—	—	.75	3.06
Average number of cars in each freight train—						
Loaded	16.23	15.34	.89	5.80	—	—
Empty	5.05	4.97	.08	1.61	—	—
All	21.28	20.31	.97	4.78	—	—
Average load in tons—						
Per loaded car (revenue freight)	12.81	11.70	1.11	9.49	—	—
Per loaded car (revenue and company freight)	14.24	*	—	—	—	—
Per train (revenue freight)	207.86	179.44	28.42	15.84	—	—
Per train (revenue and company freight)	231.03	*	—	—	—	—
Average number of miles run per car per day—						
On this line—home	25	25	—	—	—	—
On this line—foreign	25	24	1	4.17	—	—
On foreign lines—home	20	21	—	—	1	4.76
PASSENGER.						
Total number of passenger cars owned (all classes) at close of the year	107	110	—	—	3	2.70
Average number of passenger cars in service during the year	106	105	1	.94	—	—
Number of miles run by passenger trains (not including mixed trains)	1,462,097	1,465,917	—	—	3,820	.26
Number of miles run by passenger cars on this line—						
Home	5,654,169	5,475,881	178,288	3.26	—	—
Foreign	1,035,560	1,121,766	—	—	86,206	7.68
All	6,689,729	6,597,647	92,082	1.40	—	—
Average number of cars in each passenger train	4.33	4.29	.04	.93	—	—
Average number of miles run per car per day—						
Home	167	163	4	2.45	—	—
Foreign	129	110	19	17.27	—	—

*Company material tonnage not kept throughout fiscal year ended June 30th, 1899.

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AMOUNTS PAID AND RECEIVED FOR MILEAGE AND HIRE OF FREIGHT CARS.

DESCRIPTION.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Per cent.	Decrease.	Per cent.
AMOUNTS PAID—						
For mileage of foreign freight cars on this line	$128,591 67	$128,539 19	$ 52 48	.04	—	—
For hire of freight cars (500 stock)	38,001 71	39,428 64	—	—	$1,426 93	3.62
Total	$166,593 38	$167,967 83	—	—	$1,374 45	.82
AMOUNTS RECEIVED—						
For mileage of St. L. S. W. Ry. System freight cars on foreign roads	108,175 61	104,840 05	$3,335 56	3.18	—	—
Net balance paid out . . .	$ 58,417 77	$ 63,127 78	—	—	$4,710 01	7.46

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MAINTENANCE OF WAY AND STRUCTURES.

During the fiscal year the roadway, track, bridges and buildings have been fully maintained and the general condition thereof substantially improved, as will be seen by reference to the following exhibits:

Road Department.

Character of Rail in Main Track, June 30th, 1900.

Location.	75-lb. Steel. Track miles.	60-lb. Steel. Track miles.	56-lb. Steel. Track miles.	55-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—						
Main line	70.64	—	347.36	—	—	418.00
New Madrid branch	—	—	—	—	5.70	5.70
Delta branch . . .	—	—	51.40	—	—	51.40
Little Rock branch	—	—	41.70	—	—	41.70
Shreveport branch .	—	—	59.50	—	—	59.50
Gray's Point Terminal Ry. Co. . .	—	—	—	16.40	—	16.40
Total	70.64	—	499.96	16.40	5.70	592.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—						
Main line	—	6.15	298.45	—	—	304.60
Sherman branch . .	—	—	109.90	—	—	109.90
Ft. Worth branch .	—	—	97.20	—	—	97.20
Hillsboro branch .	—	—	40.00	—	—	40.00
Lufkin branch . . .	—	—	.17	—	88.43	88.60
Total	—	6.15	545.72	—	88.43	640.30
ENTIRE SYSTEM—						
June 30th, 1900 . .	70.64	6.15	1,045.68	16.40	94.13	1,233.00
June 30th, 1899 . .	53.93	6.15	1,052.94	16.40	103.58	1,233.00
Increase, this year	16.71	—	—	—	—	—
Decrease, this year	—	—	7.26	—	9.45	—

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NEW STANDARD 75-POUND STEEL RAIL PURCHASED AND PLACED IN MAIN TRACK AND LEADS TO SIDE TRACKS.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . . .	1010 $\frac{1900}{2240}$	8.58
During fiscal year ended June 30th, 1896 . . .	2120 $\frac{550}{2240}$	17.99
During fiscal year ended June 30th, 1897 . . .	301 $\frac{1310}{2240}$	2.56
During fiscal year ended June 30th, 1898 . . .	2089 $\frac{1290}{2240}$	17.73
During fiscal year ended June 30th, 1899 . . .	902 $\frac{370}{2240}$	7.65
During fiscal year ended June 30th, 1900 . . .	2000 $\frac{950}{2240}$	16.97
Total purchased	8424 $\frac{1890}{2240}$	71.48
PUT IN TRACK TO REPLACE LIGHTER RAIL—		
During fiscal year ended June 30th, 1895 . . .	522 $\frac{1620}{2240}$	4.43
During fiscal year ended June 30th, 1896 . . .	1069 $\frac{1815}{2240}$	9.08
During fiscal year ended June 30th, 1897 . . .	1272 $\frac{1845}{2240}$	10.80
During fiscal year ended June 30th, 1898 . . .	2557 $\frac{595}{2240}$	21.70
During fiscal year ended June 30th, 1899 . . .	998 $\frac{605}{2240}$	8.47
During fiscal year ended June 30th, 1900 . . .	1983 $\frac{355}{2240}$	16.83
Total in track	8404 $\frac{115}{2240}$	71.31
PUT IN TRACK TO REPLACE 75-POUND RAIL—		
During fiscal year ended June 30th, 1900 . . .	8 $\frac{780}{2240}$	.07
Total used	8412 $\frac{895}{2240}$	71.38
Balance on hand June 30th, 1900	12 $\frac{995}{2240}$	.10

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CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1900.

DESCRIPTION.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Rock	5.31	—	5.31
Gravel and sand	258.69	—	258.69
Cinders	23.96	—	23.96
Natural soil and length of bridges and trestles	—	304.74	304.74
Total	287.96	304.74	592.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Rock	94.37	—	94.37
Gravel and sand	134.37	—	134.37
Cinders	26.97	—	26.97
Natural soil and length of bridges and trestles	—	384.59	384.59
Total	255.71	384.59	640.30
ENTIRE SYSTEM—			
Rock	99.68	—	99.68
Gravel and sand	393.06	—	393.06
Cinders	50.93	—	50.93
Natural soil and length of bridges and trestles	—	689.33	689.33
Total	543.67	689.33	1,233.00

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Fencing on Right of Way, June 30th, 1900.

Location.	Linear miles of fence.	
	Built this year.	Total June 30, 1900.
St. Louis Southwestern Ry. Co.	144.67	629.94
St. Louis Southwestern Ry. Co. of Texas . .	11.02	665.25
Entire system	155.69	1,295.19

Description of Telegraph Lines—Entire System.

Mileage.	Year ended June 30, 1900.	Year ended June 30, 1899.
Miles of railroad	1,233.0	1,233.0
Miles of wire—		
Owned by this company (on poles owned by Western Union Telegraph Company)	1,238.0	1,238.0
Owned by Western Union Telegraph Company	2,870.0	2,870.0
Owned by Texas Midland R. R. Between Commerce and Greenville, Tex.	29.0	29.0
Owned by Gulf, Colorado and Santa Fe R. R. Between Wolfe City and Sherman Tex.	39.0	39.0
Total	4,176.0	4,176.0

Note.—The telegraph wires owned by this company and the Western Union Telegraph Company are operated jointly.

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COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT, DURING YEARS ENDED JUNE 30TH, 1900-1899.

CHARACTER OF WORK.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		Entire System.	
	Year ended June 30, 1900.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1899.
Miles of track ditched by plow	13.2	47.9	6.5	—	19.7	47.9
Miles of track ballasted	28.7	2.7	—	2.2	28.7	4.9
Miles of track laid and relaid with 75-lb. steel	16.9	8.4	—	—	16.9	8.4
Miles of track laid with 60-lb. steel	—	—	—	6.3	—	6.3
Miles of track laid and relaid with 56-lb. steel	5.6	3.9	13.4	11.2	19.0	15.1
Miles of track laid and relaid with 35-lb. steel	3.9	6.6	4.6	10.8	8.5	17.4
Miles of new saw mill spurs, private and side tracks	6.2	5.9	5.0	8.1	11.2	14.0
Miles of old side tracks taken up	3.8	1.7	.9	1.4	4.7	3.1
Number of cross-ties placed in track	320,779	260,881	392,095	231,335	712,874	492,216
Sets of switch-ties placed in track	102	104	114	132	216	236

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Bridge and Building Department.

Bridges—Statement of Permanent Spans June 30th, 1900.

Location.	Mile post.*	No. of spans.	Length each.	Total length.	Kind of Structure.	Class.†	Year built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss	X	1894
Prairie Creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss	A	1890
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,196	—	—	—

*Note.—Location of mile posts; without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.

Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.

Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.

Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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BRIDGES—STATEMENT OF TRESTLE BRIDGING, JUNE 30TH, 1900.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	26,251	4.97
Jonesboro section	33,143	6.28
Pine Bluff section	45,551	8.63
Gray's Point incline	1,303	.25
Gray's Point branch	9,506	1.80
Little Rock branch	4,148	.78
Shreveport branch	4,658	.88
Total	125,886	23.84
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	32,831	6.22
Tyler section	29,602	5.61
Waco section	4,302	.81
Ft. Worth branch	19,137	3.62
Sherman branch	19,701	3.73
Lufkin branch	11,390	2.16
Hillsboro branch	4,628	.88
Total	121,591	23.03
ENTIRE SYSTEM, June 30th, 1900	247,477	46.87
ENTIRE SYSTEM, June 30th, 1899	251,626	47.66
Decrease, this year	4,149	.79

NOTE.—The decrease of 4.149 feet, or .79 of one mile in the total length of trestle bridging during the fiscal year, is the result of the continuation of the policy of filling up unnecessary trestles and substituting therefor culverts of vitrified tile, cast iron pipe, or bois d'arc boxes, thus permanently reducing the cost of maintenance.

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Renewals and Improvements in Bridge and Building Department (completed structures only), year ended June 30th, 1900.

St. Louis Southwestern R'y Co.			Cost.
New wooden trestles	5,396	Linear feet	$ 20,023 13
Cast iron single culvert	84	Linear feet	1,100 51
Stone culvert at Texarkana, Ark. (⅓ cost)	1		493 53
Wire fence	763,876	Linear feet	18,325 83
Farm gates	147		1,054 21
Station platforms (gravel)	7,200	Square feet	60 53
Cotton platforms (wood)	2,496	Square feet	258 77
Station buildings (new)	1		1,593 90
Station buildings (repaired)	1		672 70
Station buildings (extensions)	4		976 87
Transfer shed at Malden, Ark.			1,849 67
Pavilion at Spirit Lake, Ark.			183 77
Water closets	1		54 76
Coaling station at Malden, Ark.			8,024 97
Graveling stock pens	2		404 12
Tie loading plant at Clarendon, Ark.			100 83
Mail cranes	9		154 11
Cattle guards (pit)	130		5,175 78
Cattle guards (surface)	6		127 79
Deep well and connections at Pine Bluff, Ark.			2,901 74
Jack pit shed at Pine Bluff, Ark.			72 71
Steel girder turn-table at Pine Bluff, Ark.			2,383 69
Air compressor building at Pine Bluff, Ark.			82 19
Drop pit shed at Pine Bluff, Ark.			224 06
Iron rack shed at Pine Bluff, Ark.			138 53
Sand house at Pine Bluff, Ark.			109 62
Rattler shed at Pine Bluff, Ark.			18 49
Water pipes in coach shed at Pine Bluff, Ark.			34 41
Paving Pine St. and 3d Ave., Pine Bluff, Ark.			934 83
Section tool houses	1		36 69
Drain boxes	4		153 34
Water stations rebuilt	2		3,898 58
Gasoline pumping engine and pump			465 16
Raising trestles account grade improvements			4,728 78
Painting iron bridges	2		2,260 96
Total, fiscal year ended June 30th, 1900			$ 79,079 56
Total, fiscal year ended June 30th, 1899			115,233 26
Decrease this year			$ 36,153 70

St. Louis Southwestern R'y Co. of Texas.			Cost.
New wooden trestles	2,777	Linear feet	$ 12,061 14
Cast iron single culvert	246	Linear feet	934 30
Double tile drain	92½	Linear feet	242 12
Single tile drain	45	Linear feet	49 81
Sewer drains	2		18 55
Track scale drains	5		557 07
Wire fence	58,211	Linear feet	1,542 99
Board fence	1,864	Linear feet	150 99
Farm gates	67		522 76
Station platforms (wood)	4,708	Square feet	899 16
Station platforms (gravel)	31,204	Square feet	392 34
Cotton platforms (wood)	38,552	Square feet	1,776 45
Station buildings (new)	1		1,812 00
Amount carried forward			$ 20,959 68

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RENEWALS AND IMPROVEMENTS—Continued.

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.			Cost.
Amount brought forward			$ 20,959 68
Station buildings (extensions)	4		1,796 23
Pavilion at Orphans' Home, Texas			125 73
Water closets	2		62 05
Stock pens, chutes and saw dust bins			460 92
Hay barn for stock pens			23 10
Coal platform at Gatesville, Tex.			50 77
Side-walk at Whitewright, Tex.	2,100	Square feet	61 67
Corn crib at Tom Bean, Tex.			683 13
Elevated track (grain transfer) at Tyler, Tex.			28 75
Fruit packing sheds	4		440 07
Labor, putting in track scales at Pittsburg, Tex.			123 97
Coal bins	2		9 55
Switch lamp house			22 26
Mail cranes	13		254 55
Cattle guards (pit)	179		5,160 97
Cattle guards (surface)	5		125 06
Cattle guards (Texas)	2		31 20
Coach track walk at Texarkana, Tex.	10,712	Square feet	107 11
Lumber shed at Tyler, Tex.			167 49
Spring furnace at Tyler, Tex.			17 25
Machine shop and pits at Tyler, Tex.			10,091 67
Foundation for machines at Tyler, Tex.			525 76
Foundation for air compresses at Tyler, Tex.			167 32
Hose reel houses at Tyler, Tex.	2		16 41
Turn-table foundation rebuilt at Hillsboro, Tex.			143 12
Sand bin rebuilt at Waco, Tex.			67 34
Section tool houses	1		57 19
Watchman's shanty at Corsicana Tex.			45 71
Water station wells	2		1,234 41
Water station rebuilt at Brownsboro, Tex.			1,261 12
Test holes for water	4		210 24
Tank moved from Fruitland to White Oak, Tex.			196 93
Cistern (brick) at Malakoff, Tex.			184 19
Pump and pump house for cistern at Kerens, Tex.			17 03
Well and well house at Wylie, Tex.			32 27
Water tub and frame at Mt. Pleasant, Tex.			71 98
Water car tubs (wooden)	53		1,817 80
Water car tanks (iron)	1		13 48
Highway bridge at Ritchie, Tex.			353 62
Bridge warning signs	2		15 84
Railway crossing gate at Commerce, Tex.			9 05
Total, fiscal year ended June 30th, 1900			$ 47,243 99
Total, fiscal year ended June 30th, 1899			154,753 13
Decrease this year			$107,509 14
ENTIRE SYSTEM.			
Total, fiscal year ended June 30th, 1900			$126,323 55
Total, fiscal year ended June 30th, 1899			269,986 39
Decrease this year			$143,662 84

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Engineering Department.

During the fiscal year valuable additions have been made to the permanent records of this department in the shape of drawings and plans of various kinds, which will enable the management to commence improvements contemplated thereby as circumstances will permit.

IMPORTANT ENGINEERING WORK.

The following important work, under the supervision of the engineering department, in connection with the improvement of the roadway and track, such as cutting down grades, raising track above overflow, revising and increasing yard facilities, etc., is worthy of special mention :

St. Louis Southwestern Railway Company.

SECTION.	CHARACTER OF WORK.
Bird's Point	Revision of yard and station facilities at Campbell, Mo., mile post 65, main line, Missouri: The St. Francis Valley Ry., which crosses this line at Campbell, Mo., desiring to operate a joint yard and station with this company at that point, and our facilities being inadequate, the yard facilities were revised and enlarged and a new depot, 24x104, was constructed at a total cost of $3,587.88. This work was commenced during the preceding fiscal year and completed in March, 1900.
Jonesboro	Gilkerson Hill, miles 128 to 133, inclusive, main line, Arkansas: This work involved the reduction of gradients from 64.3 feet per mile, uncompensated, to 26.4 feet, compensated for curvature, together with rectifying the drainage in Lost Creek Bottom by confining waters of the creek, thus preventing them from crossing and re-crossing track; closing trestles 321, 322, 323, 324, 327 and 340; constructing channel ditches, raising, widening embankments, etc. Work was commenced during May, 1900, and will be completed during the ensuing fiscal year. The amount expended to June 30th, 1900, was $15,988.42; total cost estimated at $17,985.42. The reduction of this grade will materially reduce the cost of operation.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK—*Continued.*
JONESBORO	White River Bottom, miles 211 to 219, inclusive; and Roe Hill, miles 220 and 221, main line, Arkansas: This work contemplated the raising of embankments in White River Bottom on an average of about 36 inches on miles 211 to 219, inclusive, thus placing the track above overflow; it also contemplated the revision of the grade on Roe Hill, miles 220 and 221, the material to make the fill in White River Bottom being taken from this hill. Work was commenced in October, 1899, but was not completed on June 30th, 1900. The amount expended during the current fiscal year was $7,720.49, the total estimated cost being $11,069.54.
PINE BLUFF	Preparing roadbed for laying 75-lb. steel, miles 323.34 to 336.76, inclusive, main line, Arkansas: This improvement was made necessary in order to get track above overflow in the Ouachita river bottom and preparing grade line for the laying of 75-lb. steel rail in place of 56-lb. To obtain material for making the fill, grades were cut down at miles 324 and 330, the maximum cut being ten feet and the maximum fill nine feet. The cost, exclusive of the rail, was $31,265.82. Work was commenced during the preceding fiscal year and completed in February, 1900.
SHREVEPORT . . .	Loop line built around proposed State government levee at Red river in Bossier parish, near Shreveport, La.: Owing to a change in the new State levee in Bossier parish, opposite Shreveport, La., it was necessary to change the track around the same, the new line being 5,306 linear feet in length. The net cost of this work, including right of way, less credits for amounts realized from sale of property in this neighborhood, was approximately $1,500.00. The work was commenced in March, 1900, and completed in May, 1900. No benefit results to this company from this expenditure, except from the levee protection obtained.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK.
FT. WORTH	Revision of yard at Mt. Pleasant, Tex., mile post 479, main line: The yard facilities at Mt. Pleasant, Texas, proving inadequate, it was found necessary to lay additional tracks, involving adjustment of grades, etc. Mt. Pleasant is a junction of the main line and Ft. Worth branch and a terminal point. Work was commenced in January, 1899. The approximate cost of the improvement is $8,711.18 and final charges will be made during the ensuing fiscal year.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK—*Continued.*
WACO	Little Cypress bottom, miles 505 to 508, inclusive, main line: This work involved the raising of embankments in Little Cypress creek bottom to prevent track being overflowed, renewal of 1,470 feet of trestle; also the reduction of approaching grades, the maximum fill being seven feet and maximum cut nine feet. Work was commenced in April, 1900, and will be completed during the ensuing fiscal year. Amount expended to June 30th, 1900, was $12,220.99. Connection with Texas & New Orleans Railway at Athens, Tex., miles 384 and 385, main line: The Texas & New Orleans Railway, desiring to connect with and cross this line at Athens, Tex., it was found necessary to change the approaching grades and to construct a connecting track, the Texas & New Orleans Railway to bear the expense of changing the grade. The grading was done by this company at a cost of $1,548.03, and charged to the Texas & New Orleans Railway. Cost of connecting track with this company was $1,776.20. Work was commenced in March, 1900, and completed in May, 1900. Tehaucana creek bottom, mile 669, main line: This work involves cutting down the grade north from creek, hauling earth to creek bottom, widening embankments and raising the tracks above overflow to grade of iron bridge across the creek, ballasting track through cut and across the bottom to one foot under ties; also raising and extending trestles and putting masonry pier foundations under the iron girder span across the creek, with iron stringer approaches. Work was commenced in June, 1900, and will be completed during the ensuing fiscal year. The total estimated cost was $13,629.25; the amount expended to June 30th, 1900, was $2,448.71. New motive power yard at Waco, Texas, mile post 676, main line: The motive power yard facilities at Waco being inadequate, arrangements were made for additional tracks and facilities at East Waco. This work involves considerable grading, additional tracks, a new turntable pit, including foundations and circle wall, sand house, cinder pit and coal platform. Work was commenced in January, 1900, and will be completed during the ensuing fiscal year, the total estimated cost being $17,339.15; amount expended to June 30th, 1900, was $10,201.02.

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MAINTENANCE OF EQUIPMENT.

List of Equipment Owned and Leased—Entire System.

Class.	On hand June 30, 1899.	Changes during year.						On hand June 30, 1900.
		Purchased.	Built and rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
Locomotives—								
Eight-wheel:								
13 x 20	1	—	—	—	1	—	—	—
14 x 18	1	—	—	—	1	—	—	—
16 x 24	36	—	—	—	2	—	—	34
17 x 24	28	—	—	1	1	—	—	26
Total	66	—	—	1	5	—	—	60
Ten-wheel:								
17 x 24	6	—	—	—	—	—	—	6
20 x 26	6	3	—	—	—	—	—	9
Total	12	3	—	—	—	—	—	15
Mogul:								
14 x 20	7	—	—	—	6	—	—	1
15 x 20	15	—	—	—	3	—	—	12
18 x 24	30	—	—	—	—	—	—	30
Total	52	—	—	—	9	—	—	43
Consolidation:								
15 x 20	1	—	—	—	1	—	—	—
Compound (eight-wheel):								
19 x 29 x 24	2	—	1	—	—	—	—	3
Switch (six-wheel):								
18 x 24	2	—	—	—	—	—	—	2
Grand total	135	3	1	1	15	—	—	123
Passenger cars—								
Official	3	—	2	—	—	—	—	5
Parlor	4	—	1	—	—	—	—	5
Chair	17	—	1	—	—	—	—	18
Coaches	48	—	—	1	3	—	—	44
Combination	2	—	—	—	1	—	—	1
Baggage and express	8	—	—	2	—	—	4	10
Mail and express	24	—	—	—	—	4	—	20
Mail	4	—	—	—	—	—	—	4
Total	110	—	4	3	4	4	4	107
Freight cars—								
Refrigerator	25	—	—	—	—	—	—	25
Furniture	148	288	—	4	—	—	—	432
Caboose	71	—	—	—	—	—	—	71
Box	3,036	200	2	34	19	2	—	3,183
Stock	774	—	4	5	—	—	—	773
Flat	665	—	2	20	36	50	—	561
Tank	4	—	—	—	—	—	—	4
Coal	489	—	—	12	70	—	—	407
Total	5,212	488	8	75	125	52	—	5,456
Work cars—								
Ballast	—	—	—	—	—	—	50	50
Cinder	11	—	—	—	—	—	—	11
Derricks	7	—	—	—	—	—	—	7
Steam shovels	1	1	—	—	—	—	—	2
Ditching plow	1	—	—	—	—	—	—	1
Plow	1	—	—	—	—	—	—	1
Pile drivers	4	—	—	—	2	—	—	2
Lidgerwood unloader	—	2	—	—	—	—	—	2
Dozer	—	—	—	—	—	—	2	2
Total	25	3	—	—	2	—	52	78

Note.—The capacity of the several classes of freight cars on hand June 30, 1900, is as follows: Refrigerator, 40,000, 25; Furniture, 40,000, 64; 60,000, 368; Box, 40,000, 2,294; 60,000, 889; Stock, 40,000, 773; Flat, 40,000, 561; Tank, 50,000, 4; Coal, 40,000, 376; 60,000, 31, making a total capacity of freight cars in tons of 121,600, as compared with 110,870 on June 30th, 1899, an increase of 10,730 tons.

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Statement of Equipment Purchased, Built and Rebuilt at Company Shops.

Year Ended June 30th, 1900.

Class of Equipment.	Purchased under trust agreements.		Purchased for cash.		Built at company shops.		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives—								
Ten-wheel, 20 x 26 . .	—	—	3	$36,065 59	—	—	4	$ 43,428 50
Compound eight-wheel, 19 x 29 x 24 .	—	—	—	—	1	$ 7,362 91		
Official business cars .	—	—	—	—	2	6,477 69	2	6,477 69
Parlor cars	—	—	—	—	1	8,129 76	1	8,129 76
Chair cars	—	—	—	—	1	7,329 76	1	7,329 76
Furniture cars (60,000 capacity)	288	$127,960 00	—	—	—	—	288	127,960 00
Box cars (60,000 capacity)	200	94,675 20	—	—	2	972 16	202	95,647 36
Stock cars (40,000 capacity)	—	—	—	—	4	1,712 24	4	1,712 24
Flat cars (40,000 capacity)	—	—	—	—	2	320 50	2	320 50
Ballast (converted from flat cars)	—	—	—	—	50	4,219 76	50	4,219 76
Steam shovel car . . .	—	—	1	8,167 51	—	—	1	8,167 51
Lidgerwood unloader cars	—	—	2	6,793 59	—	—	2	6,793 59
Dozer (converted from box cars)	—	—	—	—	1	253 68	1	253 68
Floating equipment—								
Steamer "Charles Merriam"	—	—	1	26,235 76	—	—	1	26,235 76
Total	488	$222,635 20	7	$77,262 45	64	$36,778 46	559	$336,676 11

Repairs and Renewals of Equipment (Rolling Stock)—Entire System.

Class of Equipment.	Year ended June 30th, 1900.			Year ended June 30th, 1899.		
	Average No. in service.	Total cost.	Average cost each.	Average No. in service.	Total cost.	Average cost each.
Locomotives	130	$208,130 29	$1,601 00	134	$183,742 82	$1,371 22
Passenger cars	110	68,163 21	619 67	105	57,990 06	552 29
Freight and work cars .	5,232	243,642 49	46 57	5,249	265,411 89	50 56
Total	—	$519,935 99	—	—	$507,144 77	—
Increase this year .	—	$ 12,791 22	—	—	—	—

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CONCLUSION.

Attention is directed to the appendix of this report, which follows, in which is given a table of mileage operated on June 30th, 1900, comparative statistical tables covering the operation of the line during the past ten years, income and financial exhibits for each of the corporations forming the system for the fiscal year ended June 30th, 1900, and an exhibit of hospital service for the year.

It has been the aim of the management to reduce the cost of operation by the cutting down of grades and the purchase of heavier and more modern power, in order that the train haul may be increased, and this policy will be pursued in future.

During the past year a number of new industries located along the line, notably saw mills and cotton oil mills. Ample encouragement has been given to new enterprises of this kind, with a view to developing to the fullest possible extent the resources of the country tributary to the line.

The prospects for a good cotton crop during the ensuing season are very favorable at the date of this report, and this fact, in connection with an anticipated steady movement of lumber and other classes of freight, indicates that the equipment of the line will be taxed to its utmost to handle the traffic offered during the coming fall and winter months.

Due acknowledgment is hereby made of the cordial support given the management during the past year by the officers and employes of the line. It is a pleasure to state that the zeal and energy displayed by employes in all branches of the service have contributed largely to the successful operation of the property.

Respectfully,

F. H. BRITTON,

Vice-President and Gen'l Manager.

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APPENDIX.

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I.

MILES OPERATED.

Miles of Track Operated June 30th, 1900—Entire System.

Description.	Main track.	Side track.	Total.
St. Louis Southwestern Ry. Co.—			
Main line	418.0	110.4	528.4
New Madrid branch	5.7	.5	6.2
Delta branch	51.4	8.6	60.0
Little Rock branch	41.7	5.6	47.3
Shreveport branch	59.5	8.7	68.2
Gray's Point Terminal Ry. (leased)	16.4	6.2	22.6
Total	592.7	140.0	732.7
St. Louis S.-W. Ry. Co. of Texas—			
Main line	304.6	59.2	363.8
Sherman branch	109.9	15.4	125.3
Ft. Worth branch	97.2	16.0	113.2
Hillsboro branch	40.0	4.8	44.8
Lufkin branch	88.6	8.2	96.8
Dallas branch (joint track with G., C. & S. F. Ry.)	25.2	—	25.2
Total	665.5	103.6	769.1
Entire System—			
Total miles of track June 30, 1900	1,258.2	243.6	1,501.8
Total miles of track June 30, 1899	1,258.2	236.9	1,495.1
Increase	—	6.7	6.7

MILES OF MAIN TRACK BY STATES.

Description.	Mo.	Ark.	La.	Texas.	Total.
St. L. S.-W, Ry. Co.	143.3	413.6	35.8	—	592.7
St. L. S.-W. Ry. Co. of Texas	—	—	—	665.5	665.5
Total	143.3	413.6	35.8	665.5	1,258.2

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Comparative Statistics.

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II.

Gross Earnings by Months.

For Ten Years ended June 30th, 1900—Entire System.

Miles operated.	1,122.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2
Months.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.
July	$307,325 18	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16	$334,712 74	$369,205 97	$428,143 68
August	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69	415,233 20	455,693 45
September	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78	521,812 25	524,162 16
October	490,964 07	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82	666,456 12	601,597 45
November	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06	634,879 67	596,283 66
December	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56	632,023 29	617,045 70
January	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51	502,553 55	502,831 60
February	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78	387,111 35	449,697 22
March	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,072 18	469,746 25	471,580 35
April	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74	424,159 64	427,867 76
May	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87	435,308 03	413,091 82
June	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09	403,849 19	420,289 34
Total	$4,321,541 12	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43	$5,279,332 82	$5,862,338 51	$5,908,284 19

III.

Operating Expenses (Including Betterments) by Months.

For Ten Years ended June 30th, 1900—Entire System.

July	$391,866 86	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90	$313,243 07	$341,212 51	$352,035 53
August	435,893 60	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44	336,652 05	360,363 32	341,349 31
September	467,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38	360,118 92	343,253 31
October	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49	411,010 17	380,097 89
November	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85	397,283 50	375,567 55
December	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30	371,400 52	372,354 10
January	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51	334,210 05	330,812 42
February	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81	299,970 99	313,338 66
March	363,245 10	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70	362,050 27	333,659 41	341,463 60
April	341,447 68	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77	321,665 95	339,116 67
May	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45	348,820 10	343,809 62
June	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67	329,372 71	322,874 10
Total	$4,847,540 87	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24	$4,173,327 62	$4,209,088 15	$4,156,072 76

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the Receivers of the St. Louis, Arkansas & Texas Ry. Cos. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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IV.

Net Earnings by Months.

For Ten Years Ended June 30th, 1900—Entire System.

Miles operated.	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2
Months.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.
July	**$ 84,541 68**	$ 28,143 21	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26	$ 21,469 67	$ 27,993 46	$ 76,108 15
August	**72,656 61**	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64	54,869 88	114,344 14
September	**80,753 95**	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40	161,693 33	180,908 85
October	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33	255,445 95	221,499 56
November	**67,782 70**	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36	203,521 21	237,596 17	220,716 11
December	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45	162,122 26	260,622 77	244,691 60
January	**47,154 18**	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00	168,343 50	172,019 18
February	**38,378 60**	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97	87,140 36	136,358 56
March	**26,826 78**	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34	58,021 91	136,086 84	130,116 75
April	**53,497 94**	5,353 66	8,155 87	785 25	15,258 33	12,914 05	23,294 44	**16,505 03**	102,493 69	88,751 09
May	**36,860 81**	6,617 06	5,467 54	5,801 77	16,451 75	**9,330 51**	7,136 10	7,255 42	86,487 93	69,282 20
June	**63,620 07**	**26,120 14**	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**	**5,874 58**	74,476 48	97,415 24
Total	**$ 525,999 75**	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19	$1,106,005 20	$1,653,250 36	$1,752,211 43

Note.—Heavy-faced type denote deficits.

V.

Betterments (included in Operating Expenses) by Months.

For Ten Years Ended June 30th, 1900—Entire System.

July	$105,977 24	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38	$ 3,495 83	$ 22,197 00	$ 25,803 32
August	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	22,002 61	26,141 92
September	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04	19,441 51	28,087 95
October	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	15,419 25	27,847 85
November	162,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	14,515 35	18,766 15
December	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04	8,439 37	34,860 44
January	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67	2,848 44	—	18,015 36
February	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07	9,225 38	5,866 26	13,318 46
March	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11	12,464 27	17,433 75	17,044 64
April	35,495 09	—	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98	21,837 48	12,992 24	23,380 22
May	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46	31,333 77	21,603 69	27,981 59
June	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68	21,805 21	22,841 31	24,749 93
Total	$1,089,159 83	$129,266 71	$182,665 06	$113,547 81	$197,086 33	$210,894 92	$113,544 38	$132,809 88	$182,752 34	$285,997 83

Note.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the Receivers of the St. Louis, Arkansas & Texas Ry. Cos. The expenditures for betterments during the receivership were authorized, and special provision for their payments was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

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VI.

Summary of Financial Results from Operation

For Ten Years ended June 30th, 1900 — Entire System.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses (including betterments).		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings.					Surplus.	Deficit.
1891	Operated	by Receivers	St. Louis,	Arkan	sas & Texas	Ry. Cos.,	eleven mont	hs.		
1892	1,222.1	$4,638,244 12	$3,826,076 65	82.49	$ 812,167 47	$125,099 05	$ 937,266 52	$ 917,574 04	$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	$ 46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954,430 62	—	63,188 26
1898	1,223.0	5,279,332 82	4,173,327 62	79.05	1,106,005 20	8,907 14	1,114,912 34	957,618 80	157,293 54	—
1899	1,249.8	5,862,338 51	4,209,088 15	71.80	1,653,250 36	84,457 05	1,737,707 41	*1,158,030 14	579,677 27	—
1900	1,258.2	5,908,284 19	4,156,072 76	70.34	1,752,211 43	95,685 45	1,847,896 88	†1,577,604 25	270,292 63	—

NOTE.—"Fixed and other charges against income" for fiscal years ended June 30th, 1892, to 1898, inclusive, do not include any charges for interest on second mortgage income bond certificates (none having been earned), nor any charges for equipment payments.

*Includes two per cent. interest on second mortgage income bond certificates earned during calendar year ended December 31st, 1898, $180,000.00.

†Includes full interest, four per cent., on second mortgage income bond certificates earned during calendar year ended December 31st, 1899, $360,000.00; also equipment payments during the fiscal year amounting to $204,889.41.

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VII.

Traffic Statistics.

For Ten Years ended June 30th, 1900—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of revenue tons carried.	*Freight revenue.	Number of revenue tons carried one mile.	Freight train mileage, including ¼ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per revenue ton.	Average revenue per revenue ton per mile.	Average distance haul of one revenue ton (miles).	Average revenue per freight train mile.
1891	1,222.1	1,252,978	$3,288,607 35	251,647,375	1,911,334	$2,690 95	$2.6246	$0.0131	200.84	$1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2.7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932 01	358,109,737	2,169,415	3,384 25	2.3340	0.0116	201.94	1.9079
1899	1,249.8	1,887,609	4,619,985 26	380,660,588	2,103,430	3,696 58	2.4475	0.0121	201.66	2.1964
1900	1,258.2	2,101,048	4,594,855 26	412,395,505	1,962,864	3,651 93	2.1869	0.0111	196.28	2.3409

*Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VIII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	*Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1891	1,222.1	866,434	$ 856,146 07	34,193,120	1,178,452	$700 55	$0.9881	$0.0250	39.46	$0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121 45	37,153,691	1,477,639	698 38	1.0309	0.0230	44.84	0.5780
1899	1,249.8	899,048	910,867 27	38,373,916	1,483,845	728 81	1.0131	0.0237	42.68	0.6139
1900	1,258.2	994,503	1,013,026 96	41,908,926	1,483,203	805 14	1.0186	0.0242	42.14	0.6830

*Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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IX.

Train and Car Mileage Statistics

For Ten Years ended June 30th, 1900—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load of revenue tons.		Average No. of miles run per car per day.		
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per loaded car.	Per train.	On this line.		On fr'gn lines.
														Home	Fr'gn	Home
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	6,639,801	26.65	16.28	5.91	22.19	7.86	128.03	Records incomplete.		
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	22	26	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73	24	26	20
1898	2,187,854	31,261,518	12,317,032	43,578,550	20,195,428	23,383,122	11,945,326	28.26	14.29	5.63	19.92	11.46	163.68	25	23	18
1899	2,121,358	32,542,857	10,553,322	43,096,179	23,261,396	19,834,783	17,254,603	24.49	15.34	4.97	20.31	11.70	179.44	25	24	21
1900	1,983,970	32,197,366	10,023,827	42,221,193	22,554,311	19,666,882	18,024,830	23.74	16.23	5.05	21.28	12.81	207.86	25	25	20

X.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1891	1,124,201	4,395,208	743,608	5,138,816	3.83	Records incomplete.	
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111
1899	1,465,917	5,475,881	1,121,766	6,597,647	4.29	163	110
1900	1,462,097	5,654,169	1,035,560	6,689,729	4.58	167	129

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Income and Financial Exhibits.

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1900.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 526,809 48		Freight	$2,857,624 81	
Maintenance of equipment	347,483 37		Passenger	540,739 72	
Conducting transportation	1,181,346 25		Mail	94,423 78	
General expenses	192,984 20	$2,248,623 30	Express	46,132 93	
Net earnings	—	1,306,557 16	Telegraph	3,211 63	
			Miscellaneous	13,047 59	$3,555,180 46
		$3,555,180 46			$3,555,180 46
To Accrued interest on bonds	$ 800,000 00		By Net earnings brought down		$1,306,557 16
Taxes accrued	78,172 96		Interest on bonds owned—		
Equipment payments	114,631 60		St. L. S. W. Ry. Co. of Texas, First mortgage, $9,445,000.00 @ 4%	$377,800 00	
Rental of leased lines:			Tyler Southeastern Ry. Co., First mortgage . $660,000.00 @ 4%	26,400 00	
Gray's Point Terminal Ry.	16,950 00		Paragould Southeastern Ry. Co., First mortgage . . $56,000.00 @ 6%	3,360 00	
All other payments	20,742 29		Pine Bluff Ark. River Ry., First mortgage . . $50,000.00 @ 5%	2,500 00	
	$1,030,496 85		Gray's Point Terminal Ry. Co., First mortgage . . $33,000.00 @ 5%	1,650 00	411,710 00
Add: Interest on second mortgage income bonds earned during calendar year ended December 31st, 1899 (4%)	360,000 00	$1,390,496 85	Trackage rentals		3,960 00
Surplus income for fiscal year ended June 30th, 1900, carried to credit of profit and loss account	—	380,136 61	All other receipts		48,406 30
Total	—	$1,770,633 46	Total		$1,770,633 46

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1900.

To Amount paid in settlement of judgments, etc., against Receivers St. L. A. & T. Ry.	$ 2,032 70	By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1899	$3,776,386 94
Amount transferred from "Cost of Road and Equipment," representing net amount expended and charged to that account for new equipment, right of way and real estate since the organization of the company (June 1st, 1891) to June 30th, 1899, in excess of the amount of bonds and stock issued	458,745 07	Surplus income from operation for fiscal year ended June 30th, 1900, as per foregoing statement	380,136 61
Balance to credit of profit and loss account, June 30th, 1900	3,695,745 78		
Total	$4,156,523 55	Total	$4,156,523 55

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XII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1900.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$47,592,500 00	- $677,684 01
Gray's Point Terminal Ry. leasehold		339,000 00	—
Construction accounts		20,722 81	—
Real estate		27,327 95	—
Investments in stocks and bonds—			
Capital stock St. L. S. W. Ry. Co. of Texas	$2,500,000 00	—	—
Capital stock Tyler Southeastern Ry. Co.	250,000 00	—	—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00	—	—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00	—	—
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00	—	—
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00	—	—
St. Louis Southwestern Ry. Co.:			
Capital stock—			
Preferred	$106,350 00		
Common	143,900 00	250,250 00	— —
Paragould Southeastern Ry. Co.:			
Capital stock $56,000 } Cost			
1st mtge. bonds 56,000 } to Co.		51,937 50	— —
Pine Bluff, Ark., River Ry.:			
Capital stock $100,000 } Cost			
1st mtge. bonds, 50,000 } to Co.		27,851 70	— —
Gray's Point Terminal Ry. Co.:			
Capital stock $500,000 } Cost			
1st mtge. bonds, 33,000 } to Co.		33,000 01	— —
		18,270,539 21	—
Current assets—			
Cash	$537,854 60	—	+ 254,849 24
Sundry accounts collectible	213,901 87	—	+ 20,662 41
Advances to sundry agents to be accounted for	17,722 60	—	- 16,117 64
Prepaid insurance	4,880 80	—	+ 1,732 63
	$774,359 87	—	—
Supplies on hand	266,824 86	—	+ 17,768 15
		1,041,184 73	—
St. Louis Southwestern Ry. Co. of Texas, general account		3,103,813 41	+ 143,475 95
Tyler Southeastern Ry Co., general account		—	- 176,749 08
Miscellaneous accounts		393,364 78	+ 367,515 06
Total		$70,788,452 89	- $ 64,547,29

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Preferred	$20,000,000 00		
Common	16,500,000 00	$36,500,000 00	—
Funded debt—			
* First mortgage bonds (4%)	$20,000,000 00		
† Second mortgage income bonds (4% if earned)	9,000,000 00	29,000,000 00	—
Gray's Point Terminal Ry. Co., 1st mortgage bonds guaranteed (5%)		339,000 00	—
Equipment trust obligations		517,679 78	+$105,552 24
Deferred liabilities—			
Notes payable due on stated dates after July 1st		—	- 3,000 00
Interest on bonds—accrued, not due	$343,725 83	—	+ 28,980 00
Taxes accrued year 1900—not due until 1901	36,593 94	—	- 21 16
		380,319 77	—
Current liabilities—			
Audited vouchers unpaid	$ 91,087 95	—	- 68,261 04
Audited pay-rolls unpaid	120,318 73	—	- 6,170 61
Interest on bonds—due and unpaid (unpresented coupons)	53,955 70	—	+ 9,550 70
		265,362 38	—
Miscellaneous accounts		90,345 18	- 50,536 26
Balance to credit of profit and loss account, June 30th, 1900, as per detailed exhibit on preceding page		3,695,745 78	- 80,641 16
Total		$70,788,452 89	- $64,547 29

*Secured by first mortgage lien on St. L. S. W. Ry., $9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S. E. Ry. Co., $660,000.

†Secured by second mortgage lien on St. L. S. W. Ry., $3,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S. E. Ry. Co., $330,000.

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1900.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 535,950 55		Freight	$1,737,230 45	
Maintenance of equipment	337,639 46		Passenger	472,287 24	
Conducting transportation	925,523 59		Mail	80,116 69	
General expenses	108,335 86	$1,907,449 46	Express	27,762 52	
			Telegraph	2,431 74	
Net earnings	—	445,654 27	Miscellaneous	33,275 09	$2,353,103 73
		$2,353,103 73			$2,353,103 73
			By Net earnings, brought down	—	$ 445,654 27
To Accrued interest on bonds	—	$ 404,200 00	All other receipts	—	35,809 15
Taxes accrued	—	73,393 58			
Equipment payments	—	90,257 81	*Deficit for fiscal year ended June 30th, 1900, carried to debit of profit and loss account*	—	109,843 98
All other payments	—	23,456 01			
Total	—	$ 591,307 40	Total	—	$ 591,307 40

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1900.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1, 1899, viz.:			*By Balance to debit of profit and loss account, June 30th, 1900*	$3,031,056 84
St. L. S. W. Ry. Co. of Texas	$2,121,829 42			
T. S. E. Ry. Co.	302,040 35	$2,423,869 77		
Deficit from operation for fiscal year ended June 30, 1900, as per foregoing statement		109,843 98		
Amount transferred from "Cost of Road and Equipment"—representing net amount expended and charged to that account for new equipment and right of way since the organization of the company (June 1st, 1891) to June 30th, 1899, in excess of the amount of bonds and stock issued		497,343 09		
Total		$3,031,056 84	Total	$3,031,056 84

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XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1900.

ASSETS.		Total.	+ Increase, - Decrease, This year.
Cost of road and equipment		$17,907,500 00	- $727,400 53
Current assets—			
Cash	$ 82,973 04	—	- 23,051 15
Sundry accounts collectible	66,042 36	—	+ 34,652 49
Advances to sundry agents to be accounted for	8,914 32	—	+ 3,612 31
Prepaid insurance	4,427 57	—	+ 1,841 10
	$162,357 29	—	—
Supplies on hand	124,720 45	—	- 19,174 72
		287,077 74	—
Miscellaneous accounts		67,152 00	+ 40,180 79
Balance to debit of profit and loss account, June 30th, 1900, as per detailed exhibit on preceding page		3,031,056 94	+ 607,187 07
Total		$21,292,786 58	- $82,152 64

LIABILITIES.		Total.	+ Increase, - Decrease, This year.
Capital stock—			
Common		*$2,750,000 00	—
Funded debt—			
1st mortgage bonds (4%)	*$10,105,000 00	—	—
2nd mortgage income bonds (4%, if earned)	* 5,052,500 00	—	—
		15,157,500 00	—
Equipment trust obligations		67,152 00	- $21,395 60
Deferred liabilities—			
Taxes accrued year 1900—not due until 1901	$ 32,309 89	—	+ 3,389 42
Hospital fund	1,380 71	—	- 1,612 78
		33,690 60	—
Current liabilities—			
Audited vouchers unpaid	$ 75,307 10	—	+ 14,743 90
Audited pay-rolls unpaid	105,323 47	—	- 37,297 25
		180,630 57	—
St. Louis Southwestern Ry. Co., general account		3,103,813 41	- 33,273 13
Miscellaneous accounts		—	- 6,707 20
Total		$21,292,786 58	- $82,152 64

* Includes T. S. E. Ry.'s Capital liabilities assumed, viz.: Capital stock, $250,000.00; Bonds, first morgtage, $660,000.00, second mortgage, $330,000.00.

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XV.

HOSPITAL SERVICE—ENTIRE SYSTEM.

C. A. SMITH, M. D., CHIEF SURGEON.
TYLER, TEXAS.

SERVICE PERFORMED.	Year ended June 30, 1900.	Year ended June 30, 1899.	Increase.	Decrease.
Patients in hospital at the beginning of year	59	59	—	—
Patients admitted during the year	1,627	2,303	—	676
Total	1,686	2,362	—	676
Number discharged	1,630	2,285	—	655
Number of deaths	14	18	—	4
Patients remaining in hospital at the close of year .	42	59	—	17
Total	1,686	2,362	—	676
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler .	10,372	9,089	1,283	—
Total number of employes receiving hospital benefits	12,058	11,451	607	—
Per cent. of deaths to number of cases treated in hospital	0.8	0.7	0.1	—
FINANCIAL STATEMENT.				
Balance at beginning of fiscal year	$ 2,993 49	$ 1,345 24	$ 1,648 25	—
Receipts from assessments .	23,991 29	23,827 61	163 68	—
Total	$26,984 78	$25,172 85	$ 1,811 93	—
Disbursements	25,604 07	22,179 36	3,424 71	—
Balance at close of fiscal year	$ 1,380 71	$ 2,993 49	—	$1,612 78

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Com Adv 7/14/99

ST. LOUIS SOUTHWESTERN.

The Gould roads in the southwest have received rather more than usual attention of late for several good reasons. "The street" has it that a formal absorption of Texas and Pacific into the Missouri Pacific is at hand. In view of the practical union resulting from the Iron Mountain's purchase of the Texas Pacific's second mortgage bonds, the Missouri Pacific already is the residuary legatee of the earnings of the Texas road. Hence most of the benefits that would result from a definite amalgamation are secured already. The Iron Mountain is in a fair way to get out of the Texas and Pacific a handsome sum in addition to the interest on the purchase price. This explains sufficiently the strength of various securities of the Missouri Pacific and its dependencies.

Other factors in the situation are the steadily improving condition of the several properties, both physically and in their earning power, and the progressive character of the present managements. Most of the prejudice that was felt in many quarters years ago against the Gould system has disappeared. No railway operations in any part of the country are set before the public more promptly, more intelligently, or with greater precision than those of the Gould lines. Investors are furnished with all of the information that any one could reasonably ask for about what the roads are doing, and thus are put into a position to judge for themselves of results and prospects.

What has been said thus far holds good not only of the Missouri Pacific, the Iron Mountain and the Texas Pacific, but also of the junior member of the Gould family, the St. Louis Southwestern. This company will stand examination upon its past, and will bear watching as to its future, from both the traffic and the operating sides of its work.

In the growth of its traffic the St. Louis and Southwestern's progress really has been remarkable. Its mileage has been so near constant that a reduction of the figures to a mileage basis is unnecessary. In the fiscal year 1890 the length of road operated increased from 1,188 to 1,222 miles, and the present measurement is 1,223 miles. With the length of the road thus virtually unchanged, gross earnings increased in ten years from $3,377,000 in 1889 to $5,279,000 in 1898, while 1899 has brought them up to approximately $6,000,000. For a starter on the new year the first week in July reports gross earnings 20 per cent. greater than the corresponding week of 1898.

While several of the Texas roads have suffered severely through the recent floods, the St. Louis Southwestern has escaped. Its business even has been increased through the misfortunes of its neighbors. But the managers bank most confidently as regards traffic on the prospective connection with the Chicago and Eastern Illinois at Gray's Point, Mo. The Eastern Illinois extension to the Mississippi River, opposite Gray's Point, will be opened for business in the course of the autumn, and an important interchange of business is assured. The new route is said to be the shortest between Chicago and Southern Arkansas and eastern Texas, and the Southwestern already has direct connection with the Houston, and thence with Galveston, over the Houston East and West Texas road. The Eastern Illinois connection is counted on to furnish return freight in large variety for the cars that come north laden with cotton.

This brings up another vital point— the efficiency of the road as a transportation agency. The present management of the St. Louis Southwestern has made a study of economy in train mileage and car mileage, that is to say, of getting the greatest amount of work done with the least expenditure of energy, and its success is apparent enough in the monthly statements. In May, for example, the road made an increase of $84,000 in gross earnings with an increase of only $5,000 in operating expenses, and the net earnings of the month were lifted from $7,000 to $86,000. We understand that the gain was due in the main, not to the sacrificing of maintenance outlay, but to more economical transportation methods. The year that has just begun promises to realize still better returns in this field.

These are some of the more general facts that makes the St. Louis Southwestern securities interesting investments. The company down to 1898 had on the average exactly earned the interest on its first mortgage interest, the full 4 per cent. on the seconds (of which 2 per cent. has been paid), and a surplus equivalent to little if anything less than 2 per cent. on the preferred stock. To multiply figures beyond this point hardly can be necessary.

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Post, July. 1/99.

TO THE HOLDERS OF

St. Louis Southwestern Railway Company

Second Mtge. Income Bond Certificates.

Notice is hereby given that **TWO PER CENT.** interest on the above certificates will be paid on and after July 1, 1899, on presentation and surrender of matured coupons at the office of the undersigned, at No. 120 Broadway, New York.

THE MERCANTILE TRUST COMPANY,

By E. R. ADEE, Secretary.

Com. Bulletin, July. 8. 1899.

St. Louis Southwestern Seconds.

A number of investment interests on State Street bought the second mortgage bonds of the St. Louis Southwestern railroad in anticipation of the first interest payment, which was disbursed on July 1. The price has advanced from 57, the high point reached last Spring, to across 60 and there is every chance that they will sell at 80 before next January.

The earnings of the road during the present fiscal year have been enormous. During the 10 months ended April 30 the net amounted to about a million and a half against about $1,106,000 for the entire fiscal year of 1897-98.

The annual charges against these earnings, including interest on 1st mortgage bonds, taxes, etc., foot up $958,000. In the ten months then the road has earned a balance over all charges and applicable to the interest on the 2nds of $542,000. The 4 per cent payment on the 2nds would call for $360,000, so that even then a balance would be left in excess of the surplus for the whole of last year.

In other words the entire 4 per cent to which these bonds are entitled will be earned in the year and regular payments 2 per cent semi-annually will be made from now on.

The road is advantageously situated and its connection with the Chicago & Eastern Illinois, so the writer of this column is told by a large interest in the property, will add $200,000 a year to the net earnings of both the lines.

Under the circumstances we have no hesitancy in advising the purchase of these bonds around current prices either for speculation or investment, and anticipate that sales can be made around 80 within a comparatively short time.

Both the roads mentioned have exhibited great earning capabilities during the past twelvemonth. and being in able hands their future is particularly bright among railroads in the middle West. Purchases of Eastern Illinois stock or Southwestern 2nds will give handsome returns during the next year.

The St. Louis Southwestern has been particularly fortunate during the last few weeks in having passed through the season of severe storms, especially in Texas, without serious injury, whereas some of the other roads in adjacent territory have been badly damaged by floods and handicapped in their handling of traffic. Considerable business is temporarily diverted to the St. Louis Southwestern while [illegible]ds are making repairs. Friends [illegible]y are very confident as to the [illegible]d of 11½ was made yesterday [illegible]upon on the second mort[illegible]e

Com. Bulletin, July. 15, 1899.

A Good Speculation.

Last week when St. Louis Southwestern seconds were selling at 60, the writer of this column advised their purchase on the strength of the earnings of the road and its future prospects. Since then they have risen over four points in a dull market and people who have been steady buyers for some time tell us that they are booked for 80 and that the 2 per cent interest payment made this month will be continued semi-annually from now on.

Since that writing, the May statement of earnings has been issued and the figures for 11 months of the fiscal year afford an interesting comparison with the record during a similar period in 1897 8.

July 1 to May 31.	1899.	1898.	Increase.
Gross earnings.....	$5,458,489	$4,943,893	$514 596
Oper. expenses.....	3,879,715	3,832,013	47,702
Net earnings.....	$1,578,774	$1,111,880	$466,894

The extraordinary feature is that this year's figures are compared with the largest earnings ever shown by the company.

The great increase in net is due to the completion of improvements on the property and will be still greater in the immediate future.

In the last ten years the road has been standard-gauged and practically rebuilt out of net earnings, and for this reason operating expenses have absorbed nearly all the gross revenues. In 1898 the operating ratio was 79 per cent and in 1897 81 per cent, but in spite of all this the first mortgage interest has been earned, with a considerable balance.

In the first half of the present fiscal year the full annual fixed interest was earned, with a balance of $200,000. The company is earning, in fact, not only its first mortgage interest, but a full dividend on the second or income issue, and a substantial balance on the preferred stock. The seconds are, in reality, assured of their full 4 per cent a year, and the returns show that this amount is being earned nearly twice over.

In addition to all these favorable factors the road is to be directly connected with the Chicago & Eastern Illinois, and local interests in both properties assure us that this means the addition of $250,000 to the annual net income of each road. It won't be long before Southwestern preferred and common stocks now selling around 34 and 13½ respectively will become active and sell higher, but the second income bonds are [illegible]n especially attractive purchase right now.

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NEWS BULLETINS. THE WALL STREET JOURNAL.
ELECTRIC PAGE NEWS TICKER SERVICE
42-44 BROAD STREET, NEW YORK. Telephone No. 1345 BROAD.

Monday. July 31, 1899. No. 60

ST. LOUIS SOUTHWESTERN.

Lockwood, Hurd & Co. have sent the following circular letter to their customers:

"We wish to call your attention to St. Louis Southwestern issues, the preferred stock and second income bonds in particular. During the fiscal year ending August 1st, 1897, this road made net earnings of $887,658, while during the first ten months of the year ending August 1st, 1899, the earnings were about $1,500,000, or nearly double the amount for the full year of 1897.

"The connecting line being built by the Chicago & Eastern Illinois from Marion, Ill., to Gray's Point, Ill., about sixty miles, to connect with the St. Louis & Southwestern, will very materially increase the revenue of the latter road. The traffic arrangement with the Houston, East & West Texas gives the St. Louis & Southwestern practically a trunk line from Tidewater to Chicago via the Chicago & Eastern Illinois. The future for this property is thus made particularly bright. The recent buying of these securities has been of excellent character."

Wall St. Review, Oct. 6, 1899.

ST. LOUIS SOUTHWESTERN.

This company's favorable annual report deserves attention in all three of the departments of financial position, earning power and operating results. The past year has been the best in its history in every respect. What future earnings will be is, of course, in some measure uncertain, but in point of good present condition and wise management the company is in excellent shape for whatever may come.

With regard to the financial results of the year, attention may be called to an estimate published in this column early in July. The indications at that time were that in the fiscal year ended June 30 St. Louis Southwestern had earned its first mortgage interest, the full 4 per cent. interest to which the second mortgage income bonds are entitled, if earned, and a surplus equivalent to "little if anything less than 2 per cent. on the preferred stock." The final returns bear out these conclusions to the letter. As to the income bonds, it is to be said that 2 per cent. was paid during the year by vote of the di-

on $9,000,000 of bonds outstandi being considered as earned during calendar year 1898. The income acco for the year, rearranged in order show the relation of the available fu to the respective bond issues, is follows:

Gross earnings	$5,862,
Operating expenses and taxes	4,342,
Net earnings	$1,519,
Other income	84,
Total net income	$1,604,
Rentals, etc.	44,
Balance available for interest	$1,559,
Interest on first mortgage bonds	800,
Balance	$759,
Interest on second mortgage bonds	180,
Surplus for the year	$579,

If the directors had seen fit to

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the boundary claim, the surplus for the year would have stood at $399,000, or almost exactly 2 per cent. on the 20,000,000 of preferred shares. From the organization of the present company down to 1898 the balance available for interest had averaged just enough to meet the interest on the first mortgage bonds and no more. The advance in the company's financial standing from that level to the level of full interest on the income bonds and 2 per cent. for the preferred stock in addition is obvious enough. As earnings now run, taking into account also the economies introduced by the new management, the financial heads of the road are confident that the present showing will be sustained.

To this point the "cotton belt's" earning ability has been considered as it appears on the face of the published returns. The vital question of the integrity of the reported net earnings remains. Here it is to be remarked that the St. Louis Southwestern stands with the other Gould roads of the present day as a model of full maintenance at the cost of earnings, with a good deal to spare. In every year from 1892 down the expenditure for maintenance of way and buildings have been much in excess of normal requirements for roads in Missouri, Arkansas and Texas, the significance of which is that the cotton belt has been largely reconstructed out of its annual receipts, and is now in very satisfactory physical condition. The disbursements in this department during the past year amounted to nearly 900 per mile, and thus represented a concealed earning power of perhaps 165,000. In the equipment department were in excess of average annual requirements, as, indeed, they had been in most of the previous years of the present corporation. The charges to earnings for repairs and renewals of locomotives averaged $1,367 each, of passenger cars to $535 each, and of freight cars to $51 each. These expenditures all told may be from $25,000 to $50,000 in excess of permanent annual requirements, so that on the whole we should say that the road's earning power is some $200,000, or 1 per cent. on the preferred stock, greater than on the surface it appears to be.

President Gould states that "the road starts the current year for the first time in its history free from floating debt." This is true in a sense, inasmuch as the unfunded interest-bearing obligations outstanding at the beginning of 1899 have been funded. Strictly speaking, however, operating liabilities are floating debt as really as notes payable, and with this in mind a small excess of current liabilities over current assets still appears.

The new transportation management has not had sufficient time in which to show what it can do, but the increase in efficiency in this branch during the last six months even has been striking. The average freight train load has been raised during the year from 163 to 179 tons, and empty car mileage has been much reduced. The company was able to get somewhat better ton mile revenue than the previous year—12.1 mills, as against 11.6 mills—and freight train mile earnings recorded a noteworthy advance from $1.90 to $2.20. The current year promises to show even greater progress.

DOW, JONES & CO.

NEWS BULLETINS. THE WALL STREET JOURNAL.

ELECTRIC PAGE NEWS TICKER SERVICE.

42-44 BROAD STREET, NEW YORK. Telephone No. 1845 BROAD.

Thursday. October 26, 1899. No. 17

ST. LOUIS SOUTHWESTERN.

The action taken by St. Louis Southwestern directors at an adourned meeting in this city yesterday in declaring .3356% on the second income bonds was a disappointment. It was thought that no less than 1½% and possibly the full 2% would be declared. The .3356% amounts to $16.78 on each coupon for the first six months, payable Jan. 1. After the meeting Edwin Gould told us that the rest of the 4% will probably be paid in April, since they anticipate a large cotton momement. As we stated a few days ago, the farmers have been holding their cotton for higher prices and besides this the same period last year was the best in the company's history. This accounts for the decrease of $35,000 for the week ending October 21. Referring to the action of the Board ratifying the consolidation of St. Louis Southwestern and

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Tyler Southeastern, which had been agreed upon at the annual meeting of the stockholders, Mr. Gould said that considerable economy will be effected. He said: "The consolidation is merely a formal matter since we ave owned the capital stock of both companies, but it will have immediate beneficial effect in improving our situation as well as reducing our expenses. Only one set of officials will be needed."

As the St. Louis Southwestern officers were re-elected the Tyler Southeastern staff will probably go. St. Louis Southwestern directors are very much pleased with the work of the new management. They do not desire any official changes. General Manager Harding who attended the meeting spoke very encouragingly of the outlook.

Post, Dec. 22, 1899.

TO THE HOLDERS OF

St. Louis Southwestern Railway Company

Second Mtge. Income Bond Certificates.

Notice is hereby given that on and after January 2d, 1900, interest will be paid on the above certificates at the rate of $16.78 on each $1,000 certificate upon presentation and surrender of the coupons maturing January 1st, 1900, at the office of the undersigned, at 120 Broadway, New York City.

THE MERCANTILE TRUST COMPANY,
By H. C. DEMING, Vice-President.

DOW, JONES & CO.

NEWS BULLETINS. THE WALL STREET JOURNAL.

ELECTRIC PAGE NEWS TICKER SERVICE.

42-44 BROAD STREET, NEW YORK. Telephone No. 1845 BROAD.

Thursday, April 12, 1900. No. 40

ST. LOUIS SOUTHWESTERN FIRST FOURS.

We are asked by a correspondent to state the position of St. Louis Southwestern first mortgage 4 per cent. bonds which in his opinion are a first-class security.

The main facts of the company's position may be stated as follows:

Miles of road owned June 30, 1899	1,258
First mortgage bonds	$20,000,000
Second income bonds	9,000,000
Gray's Point Terminal bonds	339,000
Equipment Trusts	500,675
Total funded debt	$29,839,675
Equal to per mile of road	23,720
Of which first mortgage 4s (about)	16,000
Calling for annual interest of (per mile)	640

Behind this funded debt there are:

Preferred stock	$20,000,000
Common stock	16,500,000

being respectively $16,000 and $13,000 per mile in round figures.

The company's first charges therefore are about as follows:

Interest on first mortgage 4s.....	$800,000
Interest on Gray's Point bonds.....	16,950
Taxes (approximate).....	135,000
Interest on second incomes (if earned)..	360,000
Total charges ahead of stock..	$1,311,950

And the earnings and expenses show as follows for a series of years:

	Gross earn.	Op. expen.	Net earn.
1892.....	$4,638,244	$3,826,076	$812,167
1893.....	5,116,080	4,281,832	834,247
1894.....	4,615,144	3,873,778	741,366
1895.....	5,217,174	3,977,221	1,239,953
1896.....	4,904,489	4,132,374	772,115
1897.....	4,743,546	3,855,888	887,658
1898.....	5,279,332	4,173,327	1,106,005
1899.....	5,862,338	4,209,088	1,653,250

The company has some other income which, however, is insignificant in amount and need not be taken into consideration. While the company only earned the interest on its first mortgage bonds after taxes in three years of the eight, the figures as shown are hardly conclusive on the point. A great change has taken place in the company's management, which has materially and permanently cheapened the cost of operation. In the table given above the operating expenses of 1893 and 1899 aggregate about the same amount but compare in detail as follows:

	1893.	1899.
Maintenance expenses .	$1,677,698	$1,749,029
Other expenses	2,604,134	2,460,059
All expenses	$4,281,832	$4,209,088

The significance of which lies in the fact that in 1899 the company earned about 15% more gross money than in 1893, carrying about 16% more ton-mileage and 10% more passenger mileage This, however, was done at an actual decrease of 5% in expenses other than maintenance. In other words, these expenses which were 51% in 1893 were 42½% in 1899 and will be materially lower this year. We may take it that as far as 1893 was concerned the company could now be operated on that year's basis of gross earnings at 10% less cost which would mean $500,000 more net earning capacity. This is the same as saying that even if the company went back to the old vel of gross earnings in the bad years it would be le to earn its first mortgage interest without diffi-

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culty.

Consequently these bonds may be regarded as a safe investment so long as the present methods of management endure on the road.

W. St. Jour. May 23, 1901.

TWO SECOND-CLASS BONDS.

A correspondent writes:

"Will you please tell me which of the two you prefer—Missouri, Kansas & Texas seconds or St. Louis Southwestern seconds."

There is enough interest in this question to warrant a rough comparison of the positions occupied by these two bonds; and accordingly we supply a basis for such comparison.

The miles operated and bonds, etc., per mile of the two systems compare as follows:

	St. L. S. W.	M. K. & T.
Miles operated	1,250	2,200
First mortgage bonds..	$20,000,000	$40,000,000
do per mile..	16,000	18,181
Second income bonds..	9,000,000	20,000,000
do per mile..	7,200	9,090
Other bonds	*500,000	10,743,000
do per mile....	4,000	4,883

*Gray's Point Terminal—leasehold.

For the purpose of this inquiry we may consider the second mortgage bonds of M. K. & T. and the incomes of St. Louis Southwestern as the last bonds on each system subject to all other bonds and rentals, etc.

The interest charges per mile consequently are as follows on the two roads:

	St. L. S. W.	M. K. & T.
Interest ahead of 2nds.	$820,000	$2,263,593
Rentals ahead of 2nds..	.....	366,817
Total ahead of 2nds..	$820,000	$2,630,410
Total per mile	656	1,196
Interest on seconds ...	360,000	800,000
do per mile..	289	363
All int., rentals ,etc. ..	1,180,000	3,430,410
do per mile..	945	1,559

From which it appears that it takes $614 per mile more to pay all interest, rentals, etc., of Missouri, Kansas & Texas than it does to pay them on St. Louis Southwestern. The earning capacity of the two roads shows as follows for the year ending June 30 last:

	St. L. S. W.	M. K. & T.
Miles operated	1,250	2,200
Gross per mile	$4,690	$5,422
Op. ex. and taxes per m.	3,474	3,642
Net per mile	$1,216	$1,780
Other income per mile.	68	28
Gross income per m..	$1,584	$1,808
Charges per mile	947	1,559

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These results are a trifle more favorable than actually shown for St. Louis Southwestern owing to the inclusion of "sundry amounts" in charges, but the difference is slight and is not enough to offset the advantage of St. Louis Southwestern over M. K. & T. in the matter of surplus per mile.

Operating expenses of the two roads compare as follows per mile:

	S. L. S. W.	M. K. & T.
Maintenance of way per mile	$880	$601
Maint. of equip per mile	518	425
Conduct. trans. per mile	1,737	2,186
Gen. exp. per mile	233	307
Taxes per mile	106	123
Total	$3,474	$3,642

From which it appears that all maintenance expenditures on St. Louis Southwestern were $1,398 per mile against $1,026 per mile on Missouri, Kansas & Texas and other expenditures were $2,076 per mile on Southwestern against $2,616 per mile on M. K. & T. The greater density of business on M. K. & T. and the lower ton-mile revenue account for this difference in expenses other than maintenance. If, however, St. Louis Southwestern had been operated last year on the same basis of maintenance as M. K. & T. it would have had a surplus per mile of $711 instead of $339. This would have been 75% of its fixed charges against a surplus on M. K. & T. of about 16% of its fixed charges. There are no very apparent reasons why St. Louis Southwestern should cost more to maintain than M. K. & T. and there is at least one reason why it should not.

On these figures, and speaking in a very general way there seems to be a larger margin of safety behind St. Louis Southwestern seconds than behind M. K. & T. seconds. This year the net increase in Southwestern in nine months is $191,570 and for the year will probably be $220,000 or $176 per mile. Southwestern should end the year with an even $500 per mile over all fixed charges, out of which will come whatever the company charges to betterments. In the same period M. K. & T. shews a net decrease of $296,236 and we may reckon a net decrease of at least $250,000 for the year. This would make the actually reported surplus per mile after charges about $135 or so.

Times, June. 21, 1900.

TO THE HOLDERS OF

St. Louis Southwestern Railway Co.'s

Second Mtge. Income Bond Certificates.

Notice is hereby given that on and after July 2d, 1900, interest will be paid on the above certificates of $23.22 on each $1,000 certificate upon presentation and surrender of the coupon maturing July 1st, 1900, at the office of the undersigned, at No. 120 Broadway, New York City.

THE MERCANTILE TRUST COMPANY,

By HENRY C. DEMING, Vice-President.

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10/9/01

1901.

TENTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

FISCAL YEAR ENDED

JUNE 30, 1901.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY CO.

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

TENTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30TH, 1901.

ST. LOUIS:
SAM'L F. MYERSON PRINTING CO., THIRD AND VINE STREETS.
1901.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

DIRECTORS.

EDWIN GOULD . . . . . IRVINGTON, N. Y.

F. H. BRITTON	ST. LOUIS, MO.	WM. H. TAYLOR	NEW YORK, N. Y.
R. M. GALLAWAY	NEW YORK, N. Y.	ALBERT LOEB	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.	MURRAY CARLETON	ST. LOUIS, MO.
WINSLOW S. PIERCE	NEW YORK, N. Y.	A. L. WOLFF	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

OFFICERS.

EDWIN GOULD	*President*	IRVINGTON, N. Y.
F. H. BRITTON	*Vice-President and Gen'l Manager*	ST. LOUIS, MO.
WINSLOW S. PIERCE	*General Counsel*	NEW YORK, N. Y.
S. H. WEST	*General Attorney*	ST. LOUIS, MO.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Treasurer and Ass't Secretary*	ST. LOUIS, MO.
H. E. FARRELL	*Freight Traffic Manager*	ST. LOUIS, MO.
J. P. PARK	*Ass't General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agent*	ST. LOUIS, MO.
R. H. BOWRON	*General Superintendent*	TYLER, TEX.
J. W. DONOVAN	*Sup't Transportation*	TYLER, TEX.
E. A. PECK	*Superintendent*	PINE BLUFF, ARK.
M. L. LYNCH	*Chief Engineer*	TYLER, TEX.
J. S. BERRY	*Sup't Water Service, Bridges and B'ld'gs*	TYLER, TEX.
T. E. ADAMS	*General Master Mechanic*	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

DIRECTORS.

F. H. BRITTON . . . . . St. Louis, Mo.

WINSLOW S. PIERCE	New York, N. Y.	M. A. COOPER	Waco, Tex.
WM. H. TAYLOR	New York, N. Y.	TOM RANDOLPH	Sherman, Tex.
H. E. FARRELL	St. Louis, Mo.	JAMES GARITTY	Corsicana, Tex.
R. H. BOWRON	Tyler, Tex.	W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler Tex., on the Monday preceding the first Wednesday in May.

OFFICERS.

F. H. BRITTON	*President*	St. Louis, Mo.
R. H. BOWRON	*1st Vice-President and General Sup't*	Tyler, Tex.
H. E. FARRELL	*2d Vice-President*	St. Louis, Mo.
E. B. PERKINS	*General Attorney*	Dallas, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex.
J. W. HOGAN	*Treasurer and Paymaster*	Tyler, Tex.
J. F. LEHANE	*General Freight Agent*	Tyler, Tex.
W. H. WEEKS	*General Passenger and Ticket Agent*	Tyler, Tex.
J. W. DONOVAN	*Sup't Transportation*	Tyler, Tex.
W. N. NEFF	*Superintendent*	Mt. Pleasant, Tex.
M. L. LYNCH	*Chief Engineer*	Tyler, Tex.
J. S. BERRY	*Sup't Water Service, Bridges and B'ld'gs*	Tyler, Tex.
W. J. MILLER	*Master Mechanic*	Tyler, Tex.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

NEW YORK, September 14, 1901.

To the Stockholders of the
St. Louis Southwestern Railway Company:

The Tenth Annual Report of your company, showing the business and operations for the fiscal year ended June 30, 1901, and the condition of its affairs at the close of that year, is herewith presented.

The traffic movement (large beyond precedent), the results of operation, and the physical improvement of your property are fully set forth in the detailed exhibits embraced in the report of the Vice-President and General Manager.

For the purpose of reimbursing income account for amounts heretofore expended and charged to that account, for the betterment and improvement of your property, the remaining $1,000,000.00, unissued, of second mortgage income bond certificates in the hands of the Trustee were sold, and the net proceeds, viz.: $770,000.00, credited to Profit and Loss Account.

Full interest (four per cent.) was earned on the second mortgage income bond certificates during the calendar year 1900, and paid during the current fiscal year. Full interest was also earned on these certificates during the six months ended June 30, 1901, which, however, is not payable until January 1, 1902. This interest has been charged against income account of the current fiscal year, and is carried as a liability in the account "Interest accrued—not due."

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The increased income during the current fiscal year enabled your Board of Directors to appropriate from Profit and Loss Account and transfer to the credit of General Improvement Fund the sum of $1,490,000.00 for necessary and much needed improvements.

Substantial additions have been made to the locomotive and car equipment during the current fiscal year, the purchases being made principally under equipment trust agreements, by the terms of which the payments are extended over a period of four years, divided into equal monthly installments. Orders have also been placed for additional locomotives and freight cars, delivery of which will be made early in the ensuing fiscal year.

Your Board of Directors deemed it advisable to authorize the purchase, under favorable terms, of the Stuttgart & Arkansas River R. R., a short line 34.8 miles in length, connecting with the main line at Stuttgart, Ark. The purchase was made under foreclosure proceedings and the line has been operated as the "Stuttgart Branch" since January 16th, 1901. No securities have yet been issued on account of this purchase.

The faithful and efficient services of the officers and employes of the line are again acknowledged with pleasure.

For the Directors,

EDWIN GOULD,

President.

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"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE VICE-PRESIDENT AND GENERAL MANAGER.

ST. LOUIS, MO., September 2d, 1901.

MR. EDWIN GOULD, *President:*

DEAR SIR—I submit herewith the following report, covering the operations of the company, for the fiscal year ended June 30th, 1901.

During the current fiscal year, the average number of miles of main track operated was 1,275.5, an increase of 17.3 miles over the preceding fiscal year. This increase was due to the acquirement of the Stuttgart & Arkansas River R. R., 34.8 miles in length, which has been operated as the Stuttgart Branch since January 16th, 1901. The detail of mileage operated June 30th, 1901, may be found in table no. 1, of the appendix to this report.

The following statement shows gross earnings from traffic, receipts from all other sources, operating expenses and fixed and other charges against income, for the fiscal year ended June 30th, 1901, compared with the preceding fiscal year, and also the status of profit and loss account June 30th, 1901.

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Financial Results from Operation—Entire System.

INCOME ACCOUNT FOR FISCAL YEAR.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Decrease.
Average number of miles operated	1,275.5	1,258.2	17.3	—
Gross earnings	$7,387,174 40	$5,908,284 19	$1,478,890 21	—
Operating expenses (including betterments)	4,632,892 06	4,156,072 76	476,819.30	—
Net earnings	$2,754,282 34	$1,752,211 43	$1,002,070 91	—
All other receipts	82,195 27	95,685 45	—	$ 13,490 18
Total income	$2,836,477 61	$1,847,896 88	$ 988,580 73	—
Charges against income—				
Accrued interest on first mortgage bonds (4%)	$ 800,000 00	$ 800,000 00	—	—
Taxes accrued	155,771 20	151,566 54	$ 4,204 66	—
Equipment payments	258,825 21	204,889 41	53,935 80	—
Rental of leased lines (Gray's Point Terminal R'y)	16,950 00	16,950 00	—	—
Sundry amounts	49,957 10	44,198 30	5,758 80	—
Total	$1,281,503 51	$1,217,604 25	$ 63,899 26	—
Surplus	$1,554,974 10	$ 630,292 63	$ 924,681 47	—

NET INCOME (PROFIT AND LOSS) ACCOUNT, JUNE 30, 1901.

Cr.		
By Balance from last fiscal year	$ 664,688 94	
Surplus income current fiscal year, brought down	1,554,974 10	
Proceeds sale of second mortgage income bond certificates: 1,000 certificates, par value $1,000,000.00, sold for	770,000 00	$2,989,663 04
Dr.		
To Interest earned on second mortgage income bonds:		
Calendar year ended December 31, 1900, full interest (4%), paid	$ 380,000 00	
Six months ended June 30, 1901, full interest (4%), due January 1, 1902	200,000 00	
Amount appropriated by Board of Directors for general improvements and transferred to credit of "General Improvement Fund"	1,490,000 00	
Sundry amounts	1,070 05	2,071,070 05
Credit balance June 30, 1901		$ 918,592 99

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A further comparison of the general operating results for the year ended June 30th, 1901, with those of the preceding fiscal year will be found in the following table:

Per cent. of operating expenses (including betterments charged direct to expenses), to gross earnings:		
For the fiscal year ended June 30th, 1901		62.72%
For the fiscal year ended June 30th, 1900		70.34%
Per cent. of operating expenses (excluding betterments), to gross earnings:		
For the fiscal year ended June 30th, 1901		59.22%
For the fiscal year ended June 30th, 1900		65.50%
Gross earnings	increase	$1,478,890 21 or 25.03%
Operating expenses (including betterments)	increase	476,819 30 or 11.47%
Net earnings	increase	1,002,070 91 or 57.19%
Betterments (included in oper'ng expenses)	decrease	27,729 91 or 9.70%
Operating expenses (exclud'g betterments)	increase	504,549 21 or 13.04%
Number of revenue tons carried	increase	298,123 or 14.19%
Number of revenue tons carried one mile	increase	56,441,760 or 13.69%
Average load per loaded car (revenue tons)	increase	.45 or 3.30%
Average load per loaded car (revenue and company tons)	increase	.23 or 1.52%
Average load per train (revenue tons)	increase	2.13 or 1.02%
Average load per train (revenue and company tons)	decrease	1.67 or .72%
Number of passengers carried	increase	287,425 or 28.90%
Number of passengers carried one mile	increase	16,074,664 or 38.36%
Revenue train mileage	increase	383,547 or 11.13%

Betterments to Roadway and Track and New Safety Appliances for Equipment.

Following is a statement of amounts expended for betterments to roadway and track and for new safety appliances for equipment, showing how charged, during the current and preceding fiscal years:

	Year ended June 30, 1901.	Year ended June 30, 1900.
Included in Operating Expenses	$258,267 92	$285,997 83
Charged to General Improvement Fund	153,990 67	—
Total	$412,258 59	$285,997 83
Increase this year	126,260 76	—

For details of these expenditures, reference is made to tables on pages 19 and 28 of this report.

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Payments for New Equipment.

Payments for new equipment during the current and preceding fiscal years are shown in the following comparative table:

	Year ended June 30, 1901.	Year ended June 30, 1900.
Charged against Income Account	$258,825 21	$204,889 41
Charged against Equipment Replacement Fund	162,005 44	169,357 84
Total	$420,830 65	$374,247 25
Increase this year	46,583 40	—

Reference is made to tables on pages 20 and 28, for details of these expenditures.

Equipment Added and Retired During the Year.

The following additions were made to the company's equipment during the current fiscal year:

	Purchased.	Acquired with S.& A. R. R. R. purchase.	Built and rebuilt at Co. shops.	Transferred from passenger class.	Total.
Locomotives	13	1	1	—	15
Passenger cars	8	2	—	—	10
Freight cars—					
Box	500	—	—	—	500
Work cars—					
Ballast	150	—	—	—	150
Steam shovels	1	—	—	—	1
Lidgerwood unloaders	2	—	—	—	2
Boarding	—	—	2	2	4
Floating equipment—					
Steamer "Marian," (I.C. R. R. Co.'s ½ interest)	1	—	—	—	1

As against this, equipment was retired during the year, and the value thereof credited to "Equipment Replacement Fund." as follows:

	Destroyed, sold and condemned.	Transferred to work class (boarding).	Total.
Locomotives	11	—	11
Passenger cars	3	2	5
Freight cars—			
Box	71	—	71
Flat	17	—	17
Stock	13	—	13
Coal	11	—	11
Furniture	6	—	6
Caboose	3	—	3
Refrigerator	1	—	1
Work cars—			
Cinder	1	—	1
Tool	1	—	1
Lidgerwood unloader (small)	1	—	1

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Additional Equipment Ordered During Year.

During the current fiscal year orders were placed for the following additional equipment, to be delivered early in the ensuing fiscal year:

Kind of Equipment.	Class.		Number.	Date to be delivered.
Locomotives	8-wheel passenger,	18x26	5	July, 1901.
"	10 " freight,	20x26	10	August, 1901.
"	6 " switch,	18x24	2	August, 1901.
"	Mogul freight,	19x26	10	Oct. and Nov., 1901.
Box cars	60,000 pounds capacity . .		1000	Sept. and Oct., 1901.
Cabooses			20	Sept., Oct. and Nov., 1901.

Reserve Funds.

The amounts unexpended of reserve funds at the close of the fiscal year ended June 30th, 1901, were as follows:

General Improvement Fund	$1,336,009 33
Equipment Replacement Fund	24,562 62
Total	$1,360,571 95

Improvement Work.

The amount transferred from income to the credit of "General Improvement Fund" is being judiciously expended in the reduction of grades and curvature, ballasting track, replacing light with heavier rail, renewing and strengthening bridges and the enlargement of station and terminal facilities. The expenditures for betterments and new equipment charged against income or reserves reflect the company's policy of gradually improving the condition of the roadway and track, and the capacity and efficiency of its rolling stock without increasing correspondingly its capital account. As these improvements are made, the resultant economies will be apparent in the increased train load and a permanent reduction in the cost of operation.

St. Louis Terminals.

An agreement was entered into with the St. Louis, Iron Mountain & Southern Ry. Co., covering freight and passenger service between Delta, Mo., and St. Louis, Mo., under the terms of which, effective October 15th, 1900, this company is afforded trackage rights for its passenger trains between Delta, Mo., and Bismarck, Mo., at which point connection is made with the St. Louis, Iron Mountain & Southern Ry., in whose trains this company's passenger cars enter and depart from

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Union Station, St. Louis, Mo. Under the terms of this contract the St. Louis, Iron Mountain & Southern Ry. also transports freight traffic for this company between Delta, Mo., and St. Louis, Mo., and grants the joint use of their terminals at the latter point. An independent local freight agency has been established in St. Louis, Mo., and was opened for business February 1st, 1901.

Preliminary Surveys.

Several preliminary surveys have been made with a view of determining the merits and cost of proposed extensions into new territory, but no construction has been undertaken during the current fiscal year.

In the subjoined chapters, headed respectively, "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way and Structures," "Maintenance of Equipment," etc., will be found a detailed analysis of the results from operation and the maintenance and improvement of the property.

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FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1901.
2. Statement of net income (profit and loss) account, June 30th, 1901.
3. Condensed balance sheet, June 30th, 1901.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year; also the company's financial condition at the close of the fiscal year ended June 30th, 1901, and finally a summary of financial transactions showing the year's resources and the manner in which they were applied, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Betterments (included in operating expenses)	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Equipment payments charged against income account	" D.
Rental of leased lines	" E.
Sundry amounts charged against income account	" F.
Interest on bonds owned	" G.
Trackage rentals	" H.
All other receipts credited income account	" I.
Cost of road and equipment	" J.
Gray's Point Terminal Railway leasehold	" K.
Construction accounts	" L.
Real estate	" M.
Bonds and stocks owned	" N.
Other permanent investments	" O.
Trust equipment—unpaid balance	" P.
Capital stock	" Q.
Funded debt	" R.
Gray's Point Terminal Ry. Co. 1st mortgage bonds, guaranteed	" S.
Equipment trust obligations	" T.
Current assets and current liabilities	" U.
Reserve funds	" V.
Summary of financial transactions	" W.

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Income Account—Entire System—Year Ended June 30th, 1901.

To Expenses (see exh. A, page 18)—			By Earnings (see exh. A, page 18)—		
Maintenance of way and structures	$1,080,320 19		Freight	$5,652,872 51	
Maintenance of equipment	672,139 16		Passenger	1,400,712 70	
Conducting transportation	2,499,143 54		Mail	175,784 54	
General expenses	381,289 17	$4,632,892 06	Express	101,433 31	
Net earnings		2,754,282 34	Telegraph	6,517 07	
		$7,387,174 40	Miscellaneous	49,854 27	$7,387,174 40
					$7,387,174 40
To Accrued interest on first mortgage bonds—(see exhibit B, page 19)		$ 800,000 00	By Net earnings brought down		$2,754,282 34
Taxes accrued—(see exhibit C, page 20)		155,771 20	Interest on bonds owned—(see exhibit G, page 21)		7,510 00
Equipment payments—(see exhibit D, page 20)		258,825 21	Trackage rentals—(see exhibit H, page 21)		3,960 00
Rental of leased lines—Gray's Pt. Ter. Ry. (see exhibit E, page 20)		16,950 00	All other receipts—(see exhibit I, page 21)		70,725 27
Sundry amounts—(see exhibit F, page 20)		49,957 10			
Surplus income for fiscal year ended June 30th, 1901, carried to credit of profit and loss account		1,554,974 10			
Total		$2,836,477 61	Total		$2,836,477 61

Net Income (Profit and Loss) Account—Entire System—June 30th, 1901.

To Interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1900	$ 664,688 94
Calendar year ended December 31st, 1900, full interest (4%), paid	$ 380,000 00	Surplus income from operation for fiscal year ended June 30th, 1901, brought down	1,554,974 10
Six months ended June 30th, 1901, full interest (4%), due January 1st, 1902	200,000 00	Proceeds sale of second mortgage income bond certificates: 1,000 certificates, par value $1,000,000.00 sold for	770,000 00
Amount appropriated by Board of Directors for general improvements and transferred to credit of "General Improvement Fund"	1,490,000 00		
Sundry amounts	1,070 05		
Balance to credit of profit and loss account, June 30th, 1901	918,592 99		
Total	$2,989,663 04	Total	$2,989,663 04

Note—See appendix for income account and profit and loss account of each company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1901.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment (see exh. J, page 21)		$66,500,000 00	+$ 1,000,000 00
Gray's Pt. Ter. Ry. leasehold (see exh. K, page 22)		339,000 00	—
Construction accounts (see exh. L, page 22)		68,205 54	+ 47,482 73
Real estate (see exh. M, page 22)		27,327 95	—
Bonds and stocks owned (see exh. N, page 23)		366,539 21	+ 3,500 00
Other permanent investments (see exh. O, page 23)		4,624 93	+ 4,624 93
Current assets (see exh. U, page 26)—			
Cash	$1,929,191 90	—	+ 1,308,364 26
Sundry accounts collectible	593,928 80	—	+ 313,984 57
Advances to sundry agents (to be accounted for)	31,630 47	—	+ 4,993 55
Prepaid insurance	9,669 97	—	+ 361 60
	$2,564,421 14	—	—
Supplies on hand	627,068 32	—	+ 235,523 01
		3,191,489 46	—
Trust equipment—unpaid balance (see exh. P, page 23)		804,004 67	+ 343,487 89
Total		$71,301,191 76	+ $3,262,322 54

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock (see exh. Q, page 24)—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt (see exh. R, page 24)—			
1st mortgage bonds (4%)	$20,000,000 00	—	—
2d mortgage income bonds (4% if earned)	10,000,000 00	—	—
		30,000,000 00	+$1,000,000 00
Gray's Point Terminal R'y Co. 1st mortgage bonds guaranteed (5%) (see exh. S, page 24)		339,000 00	—
Equipment trust obligations (see exh. T, page 25)		924,535 67	+ 339,703 89
Current liabilities (see exh. U, page 27)—			
Interest on bonds, due and accrued	$ 587,726 76	—	+ 190,045 23
Sundry accounts payable	665,103 93	—	+ 204,162 85
Hospital fund	5,660 46	—	+ 4,279 75
Reserve funds	1,360,571 95	—	+ 1,270,226 77
		2,619,063 10	—
Balance to credit of profit and loss account, June 30th, 1901, as per detailed exhibit on preceding page		918,592 99	+ 253,904 05
Total		$71,301,191 76	+$3,262,322 54

NOTE.—See appendix for condensed balance sheet of each company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Per cent.	Decrease.	Per cent.
Earnings—						
Freight	$5,652,872 51	$4,594,855 26	$1,058,017 25	23.03	—	—
Passenger—local	828,588 77	627,636 99	200,951 78	32.02	—	—
Passenger—foreign	572,123 93	385,389 97	186,733 96	48.45	—	—
Mail	175,784 54	174,540 47	1,244 07	.71	—	—
Express	101,433 31	73,895 45	27,537 86	37.27	—	—
Telegraph	6,517 07	5,643 37	873 70	15.48	—	—
Miscellaneous	49,854 27	46,322 68	3,531 59	7.62	—	—
Total	$7,367,174 40	$5,908,284 19	$1,478,890 21	25.03	—	—
Earnings per mile of road	$ 5,791 59	$ 4,695 82	$ 1,094 77	23.31	—	—
Expenses (including betterments)—						
Maintenance of way and structures	$1,080,320 19	$1,062,760 03	$ 17,560 16	1.65	—	—
Maintenance of equipment	672,139 16	685,122 83	—	—	$ 12,983 67	1.90
Conducting transportation	2,499,143 54	2,106,869 84	392,273 70	18.62	—	—
General expenses	381,289 17	301,320 06	79,969 11	26.54	—	—
Total	$4,632,892 06	$4,156,072 76	$ 476,819 30	11.47	—	—
Expenses per mile of road	$ 3,632 22	$ 3,303 19	$ 329 03	9.96	—	—
Percentage of expenses to earnings	62.72	70.34	—	—	7.62	—
Net Earnings—	$2,754,282 34	$1,752,211 43	$1,002,070 91	57.19	—	—
Per mile of road	$ 2,159 37	$ 1,392 63	$ 766 74	55.06	—	—
Percentage of total earnings	37.28	29.66	7.62	—	—	—
Expenses and Taxes—						
Expenses	$4,632,892 06	$4,156,072 76	$ 476,819 30	11.47	—	—
Taxes accrued	155,771 20	151,566 54	4,204 66	2.77	—	—
Total	$4,788,663 26	$4,307,639 30	$ 481,023 96	11.17	—	—
Per mile of road	$ 3,754 34	$ 3,423 65	$ 330 69	9.66	—	—
Percentage of total earnings	64.82	72.91	—	—	8.09	—
Surplus after paying taxes	$2,598,511 14	$1,600,644 89	$ 997,866 25	62.34	—	—
Per mile of road	$2,037 25	$ 1,272 17	$ 765 08	60.14	—	—

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EXHIBIT A—*Continued.*

BETTERMENTS—ENTIRE SYSTEM.

INCLUDED IN OPERATING EXPENSES IN FOREGOING STATEMENT.

TITLE OF ACCOUNT AND NATURE OF EXPENSE.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Decrease.
MAINTENANCE OF WAY AND STRUCTURES—				
New buildings for transportation department	$ 26,118 68	$ 8,997 44	$ 17,121 24	—
New buildings for road department	3,947 85	34 02	3,913 83	—
New roundhouses and shops	6,625 52	12,482 36	—	$ 5,856 84
New fuel and water stations	11,338 45	8,449 83	2,888 62	—
New grain elevators, coal bunkers and stock yards	—	689 31	—	689 31
New miscellaneous buildings	1,810 59	6,045 13	—	4,234 54
New machinery and tools	2,608 95	2,357 66	251 29	—
New side tracks	45,836 52	24,508 65	21,327 87	—
New bridges and culverts	5,760 33	8,746 26	—	2,985 93
Masonry	2,679 40	493 53	2,185 87	—
New fences	25,247 89	25,268 90	—	21 01
Rails	32,764 31	19,113 05	13,651 26	—
Fastenings, etc	7,064 54	3,862 70	3,201 84	—
Roadway and track	75,377 95	88,454 16	—	13,076 21
Right of way	4,088 86	956 10	3,132 76	—
Real estate	4,841 95	4,131 14	710 81	—
New telegraph	1,347 27	269 43	1,077 84	—
Total	$ 257,459 06	$ 214,859 67	$ 42,599 39	—
MAINTENANCE OF EQUIPMENT—				
Additional new appliances for equipment	808 86	71,138 16	—	$ 70,329 30
Total	$ 258,267 92	$ 285,997 83	—	$ 27,729 91

NOTE—See exhibit V, page 28, showing additional expenditures for betterments during the fiscal year ended June 30, 1901, charged "General Improvement Fund."

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

ITEM.		Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.
FIRST MORTGAGE—				
Twelve months at 4% on $20,000,000 00		$ 800,000 00	$ 800,000 00	—
SECOND MORTGAGE INCOME—				
Interest earned during—				
Year ended Dec. 31, 1899		—	360,000 00	—
Interest earned during—				
Six months ended June 30, 1900, at 4% on $9,000,000.00	$180,000 00	—		
Six months ended Dec. 31, 1900, at 4% on $10,000,000.00	200,000 00	—		
Six months ended June 30, 1901, at 4% on $10,000,000.00	200,000 00	580,000 00	—	$220,000 00
Total		$1,380,000 00	$1,160,000 00	$220,000 00

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EXHIBIT C

Taxes Accrued—Entire System.

Description.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Decrease.
State, county and municipal taxes . . .	$149,656 05	$144,933 89	$ 4,722 16	—
U. S. internal revenue stamp taxes . .	6,115 15	6,632 65	—	$ 517 50
Total	$155,771 20	$151,566 54	$ 4,204 66	—

EXHIBIT D.

Equipment Payments Charged Against Income Account—Entire System.

Fiscal year ended June 30th, 1901:		
Equipment trust obligations matured and paid	$214,026 36	
First, or cash, payment on equipment purchased under trust agreements	21,333 72	
Additional equipment paid for in cash, viz.:		
One-half interest, steamer "Marian" and miscellaneous work equipment	23,465 13	$258,825 21
Fiscal year ended June 30th, 1900:		
Equipment trust obligations matured and paid	$140,458 56	
Additional equipment paid for in cash, viz.:		
Steamer "Chas. Merriam," three 10-wheel 20 x 26 locomotives and miscellaneous work equipment	64,430 85	204,889 41
Increase this year	—	$ 53,935 80

EXHIBIT E.

Rental of Leased Lines—Entire System.

Gray's Point Terminal Ry.—

Interest on 1st mortgage bonds guaranteed as basis of rental, to-wit:

Twelve months at 5% on $339,000 00 . . . . . $16,950 00

Note.—No change has been made in this account during the current fiscal year.

EXHIBIT F.

Sundry Amounts Charged Against Income Account—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase	Decrease
Equipment trust expenses	$ 2,209 05	$ 2,051 87	$ 157 18	—
Right of way settlements	253 25	396 21	—	$ 142 96
Adjustment of sundry accounts	47,494 80	41,750 22	5,744 58	—
Total	$ 49,957 10	$ 44,198 30	$5,758 80	—

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EXHIBIT G.

Interest on Bonds Owned—Entire System.

Item.	Year ended June 30, 1901.
Paragould Southeastern Ry. Co., 1st mortgage: Twelve months at 6% on $56,000 00	$ 3,360 00
Pine Bluff-Arkansas River Ry., 1st mortgage: Twelve months at 5% on $50,000 00	2,500 00
Gray's Point Terminal Ry. Co., 1st mortgage: Twelve months at 5% on $33,000 00	1,650 00
Total	$ 7,510 00

Note.—No change has been made in this account during the current fiscal year.

EXHIBIT H.

Trackage Rentals—Entire System.

Magnolia Branch (McNeil to Magnolia, Ark., 6.4 miles): Leased to the Louisiana & Northwest R. R., 12 months, at $330.00 per month	$3,960 00

Note.—No change has been made in this account during the current fiscal year.

EXHIBIT I.

All Other Receipts—Credited Income Account—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Decrease.
Interest and discount	$34,419 91	$ 8,249 00	$26,170 91	—
Adjustment of sundry accounts	36,305 36	75,966 45	—	$39,661 09
Total	$70,725 27	$84,215 45	—	$13,490 18

EXHIBIT J.

Cost of Road and Equipment—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.
Stock Issued—			
Preferred	$20,000,000 00	$20,000,000 00	—
Common	16,500,000 00	16,500,000 00	—
Bonds Issued—			
First mortgage	20,000,000 00	20,000,000 00	—
Second mortgage income	10,000,000 00	9,000,000 00	$1,000,000 00
Total	$66,500,000 00	$65,500,000 00	$1,000,000 00

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EXHIBIT K.

GRAY'S POINT TERMINAL RAILWAY—LEASEHOLD.

GRAY'S POINT TERMINAL RY.—

Property leased: Gray's Point to Delta, Mo.

Main track	16.4 miles.
Side track	6.2 miles.
Total	22.6 miles.

In consideration of 50 years' lease, principal and interest are guaranteed by the St. Louis Southwestern Ry. Co. on first mortgage bonds, Gray's Point Terminal Ry. Co., as follows: Bonds dated December 1st, 1897, due December 1st, 1947—50 years. Interest 5% due semi-annually on June 1st and December 1st.

339 Bonds @ $1,000 00 each . . . . . $ 339,000 00

NOTE.—No change has been made in this account during current fiscal year.

EXHIBIT L.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.
Argenta extension	$ 20,722 81	$ 20,722 81	—
Stuttgart & Arkansas River R. R. purchase	45,050 00	—	$ 45,050 00
Survey Hamilton extension	1,691 62	—	1,691 62
Survey Whitney extension	385 50	—	385 50
Survey Dallas extension	355 61	—	355 61
Total	$ 68,205 54	$ 20,722 81	$ 47,482 73

EXHIBIT M.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock, Ark. (not used for railroad purposes) $27,327 95

NOTE.—No change has been made in this account during current fiscal year.

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EXHIBIT N.

Bonds and Stocks Owned—Entire System.

Class of Security. (Held in Company's Treasury.)	June 30, 1901.		June 30, 1900.	
	Par value.	Cost to Co.	Par value.	Cost to Co.
Capital stock, St. L. S-W. Ry. Co.: Preferred	$ 106,350 00	$106,350 00	$ 106,350 00	$106,350 00
Common	143,900 00	143,900 00	143,900 00	143,900 00
Capital stock, Paragould Southeastern Ry. Co.	56,000 00	—	56,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	56,000 00	51,937 50	56,000 00	51,937 50
Capital stock, Pine Bluff-Arkansas River Ry.	100,000 00	—	100,000 00	—
First mortgage bonds, Pine Bluff-Ark. River Ry.—5%	50,000 00	27,851 70	50,000 00	27,851 70
Capital stock, Gray's Point Terminal Ry. Co.	500,000 00	—	500,000 00	—
First mortgage bonds, Gray's Point Terminal Ry. Co.—5%	33,000 00	33,000 01	33,000 00	33,000 01
Capital stock, So. Ill. and Mo. Bridge Co., part paid	10,000 00	2,000 00	—	—
Capital stock, La. Pur. Expo. Co., part paid	15,000 00	1,500 00	—	—
Total	$1,070,250 00	$366,539 21	$1,045,250 00	$363,039 21
Increase this year	$25,000 00	$3,500 00	—	—

EXHIBIT O.

Other Permanent Investments—Entire System.

Pintsch Compressing Co. Gas Plant at Texarkana, Ark., one-sixth interest $4,624 93

EXHIBIT P.

Trust Equipment—Unpaid Balance—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.
To Debit balance from preceding fiscal year	$460,516 78	—
Amount of notes (covering deferred payments and interest) issued account of equipment purchased under trust agreements	553,774 08	$595,350 34
Total	$1,014,290 86	$595,350 34
By Notes paid and transferred to debit of Income Acc't	210,286 19	134,833 56
Debit balance at close of fiscal year	$804,004 67	$460,516 78
Increase this year	$343,487 89	—

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EXHIBIT Q.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1901.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total	365,000	—	$36,500,000 00	$36,500,000 00

NOTE.—No change has been made in this account during the current fiscal year.

EXHIBIT R.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1901.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov.1, 1890.	Nov.1, 1989	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov.1, 1890.	Nov.1, 1989.	10,000,000 00	10,000,000 00	10,000,000 00	*4%	January and July
Total June 30th, 1901 . .			$30,000,000 00	$30,000,000 00	$30,000,000 00	—	—
Total June 30th, 1900 . .			30,000,000 00	29,000,000 00	29,000,000 00	—	—
Increase			—	$1,000,000 00	$1,000,000 00	—	—

*If earned.

NOTE.—The increase in funded debt during fiscal year ended June 30th, 1901, is due to the issuance during that year of 1,000 second mortgage income bond certificates (par value $1,000,000) on account of expenditures, since the organization of the company, June 1st, 1891, for betterments.

EXHIBIT S.

GRAY'S POINT TERMINAL RY. CO. FIRST MORTGAGE BONDS, GUARANTEED.

JUNE 30th, 1901.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Dec.1, 1897.	Dec.1, 1947.	* $500,000 00	$ 339,000 00	$ 339,000 00	5%	June and Decemb'r

*Authorized issue at rate of $15,000.00 per mile for each mile of main track, side track and terminal track when completed.

NOTE.—No change has been made in this account during the current fiscal year.

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EXHIBIT T.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1901.

Total outstanding June 30th, 1900		$ 584,831 78
Add—		
Notes (covering deferred payments and interest) issued during fiscal year ended June 30th, 1901, on account of following agreements:		
American Car & Foundry Co.—Series C 1, for 5 coaches and 3 chair cars	$ 40,256 64	
Rogers Locomotive Co.—Series D 1, for 7 locomotives	101,832 48	
Rogers Locomotive Co.—Series D 2, for 6 locomotives	100,840 80	
American Car & Foundry Co.—Series C 2, for 500 box cars, 60,000 pounds capacity	280,566 24	
American Car & Foundry Co.—Series C 3, for 150 ballast cars	70,534 56	594,030 72
Total		$1,178,862 50
Deduct—		
Notes paid during fiscal year ended June 30th, 1901		254,326 83
Total outstanding June 30th, 1901 (shown in detail below)		$ 924,535 67
Total outstanding June 30th, 1900		584,831 78
Increase this year		$ 339,703 89

NOTES OUTSTANDING, BY SERIES, JUNE 30, 1901.

DESCRIPTION.	Due during year ending				Total.
	June 30, 1902.	June 30, 1903.	June 30, 1904.	June 30, 1905.	
St.L.,A.&T.Ry.					
Series A 37	$ 17,791 20	$ 17,791 20	$ 5,930 40	—	$ 41,512 80
St. L. S-W. Ry.					
Series A	25,000 00	25,000 00	—	—	50,000 00
Series X 1	29,679 12	14,839 56	—	—	44,518 68
Series X 2	19,822 92	19,822 92	8,259 55	—	47,905 39
Series X 3	6,494 52	6,494 52	3,788 47	—	16,777 51
Series R 1	12,766 44	12,766 44	4,255 48	—	29,788 36
Series M 1	18,935 04	18,935 04	18,935 04	$6,311 68	63,116 80
Series B 1	31,740 00	31,740 00	29,095 00	—	92,575 00
Series C 1	13,418 88	13,418 88	1,118 24	—	27,956 00
Series C 2	70,141 56	70,141 56	70,141 56	58,451 30	268,875 98
Series C 3	17,633 64	17,633 64	17,633 64	17,633 64	70,534 56
Series D 1	25,458 12	25,458 12	25,458 12	6,364 53	82,738 89
Series D 2	25,210 20	25,210 20	25,210 20	12,605 10	88,235 70
Total	$314,091 64	$299,252 08	$209,825 70	$101,366 25	$924,535 67

Average annual payment for four years $231,133 92

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EXHIBIT U.

CURRENT ASSETS AND CURRENT LIABILITIES—ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1901.	June 30, 1900.	+Increase. -Decrease. This year.
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	$1,529,347 16	$ 277,018 58	+$1,252,328 58
Remittances in transit from agents and conductors	96,941 23	73,273 71	+ 23,667 52
In hands of Paymaster	11,518 43	5,408 36	+ 6,110 07
In hands of President:			
Current account	475 47	2,191 29	- 1,715 82
On deposit with Mercantile Trust Co., Trustee 2d mortgage	37,928 68	—	+ 37,928 68
On deposit to pay unpresented coupons:			
Central Trust Co. of New York (St. L. S-W. Ry. Co. 1st mortgage)	34,540 00	43,380 00	- 8,840 00
Mercantile Trust Co. (St. L. S-W. Ry. Co. 2d mortgage income)	209,190 93	218,705 70	- 9,514 77
St. Louis Trust Co. (Gray's Point Ter. Ry. Co. 1st mortgage)	9,250 00	850 00	+ 8,400 00
	$1,929,191 90	$ 620 827 64	+$1,308,364 26
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 33,190 01	$ 45,428 95	-$ 12,238 94
Bills receivable:			
St. L. S-W. Ry. Co.'s equipment trust notes (acquired by purchase—principal amount thereof)	307,971 94	—	+ 307,971 94
Miscellaneous notes	1,130 67	7,620 71	- 6,490 04
U. S. Post Office Department	44,131 00	43,567 16	+ 563 84
Pacific Express Co	7,668 58	6,000 00	+ 1,668 58
Individuals and companies—open acc'ts,	199,836 60	177,327 41	+ 22,509 19
	$ 593,928 80	$ 279,944 23	+$ 313,984 57
ADVANCES TO SUNDRY AGENTS (to be accounted for)	$ 31,630 47	$ 26,636 92	+$ 4,993 55
PREPAID INSURANCE	$ 9,669 97	$ 9,308 37	+$ 361 60
SUPPLIES ON HAND—			
General store	$ 230,158 44	$ 259,290 84	-$ 29,132 40
Fuel store	31,854 58	24,599 41	+ 7,255 17
Bridge and building store	69,218 28	36,942 31	+ 32,275 97
Superintendent's store	58,833 69	16,687 06	+ 42,146 63
Cross tie store	37,484 72	17,203 37	+ 20,281 35
Steel rail store	156,978 48	283 42	+ 156,695 06
Second-hand rail store	29,258 55	11,438 78	+ 17,819 77
Stationery store	8,723 05	7,353 55	+ 1,369 50
War revenue stamps	591 76	738 99	- 147 23
Commissary store	993 93	568 33	+ 425 60
Material suspense account	2,972 84	16,439 25	- 13,466 41
	$ 627,068 32	$ 391,545 31	+$ 235,523 01
Total current assets *(carried forward)*.	$3,191,489 46	$1,328,262 47	+$1,863,226 99

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EXHIBIT U—*Continued.*

CURRENT ASSETS AND CURRENT LIABILITIES—ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1901.	June 30, 1900.	+ Increase. - Decrease. This year.
Total current assets *(brought forward)*	$3,191,489 46	$1,328,262 47	+$1,863,226 99
CURRENT LIABILITIES.			
INTEREST ON BONDS—			
Due and unpaid (unpresented coupons)	$ 252,980 93	$ 262,935 70	-$ 9,954 77
Accrued not due	334,745 83	134,745 83	+ 200,000 00
	$ 587,726 76	$ 397,681 53	+$ 190,045 23
SUNDRY ACCOUNTS PAYABLE—			
Audited vouchers unpaid	$ 398,701 98	$ 166,395 05	+$ 232,306 93
Audited pay-rolls unpaid	191,626 09	225,642 20	- 34,016 11
Taxes accrued to June 30th—not due until December 31st	74,775 86	68,903 83	+ 5,872 03
	$ 665,103 93	$ 460,941 08	+$ 204,162 85
HOSPITAL FUND	$ 5,660 46	$ 1,380 71	+$ 4,279 75
RESERVE FUNDS (see exhibit V, page 28) .	$1,360,571 95	$ 90,345 18	+$1,270,226 77
Total current liabilities	$2,619,063 10	$ 950,348 50	+$1,668,714 60
Excess current assets	$ 572,426 36	$ 377,913 97	+$ 194,512 39
Add— Bonds and stocks owned, market value— In addition to "current assets" above mentioned, the company has other available assets consisting of bonds and stocks owned in the Treasury. Based on quotations of the New York Stock Exchange at the close of the fiscal year, for such as are listed, and estimating the others at a low valuation, the total market value of these securities is approximately	259,180 50	155,514 45	+ 103,666 05
Excess assets (including bonds and stocks owned, in the Treasury)	$ 831,606 86	$ 533,428 42	+$ 298,178 44
SUMMARY NOT ALLOWING "SUPPLIES ON HAND" AND "BONDS AND STOCKS OWNED" AS OFFSETS TO CURRENT LIABILITIES.			
Current assets (exclusive of "supplies on hand" and "bonds and stocks owned" .	$2,564,421 14	$ 936,717 16	+$1,627,703 98
Current liabilities	2,619,063 10	950,348 50	+ 1,668,714 60
Deficit current assets	$ 54,641 96	$ 13,631,34	+$ 41,010 62

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EXHIBIT V.

RESERVE FUNDS—ENTIRE SYSTEM.

GENERAL IMPROVEMET FUND.

By Amount appropriated by Board of Directors for general improvements—transferred from net income (profit and loss) account		$1,490,000 00
To Amounts expended and charged against the fund during fiscal year ended June 30th, 1901, as follows:		
New buildings for transportation department	$ 11,657 26	
New buildings for road department	2,816 97	
New roundhouses and shops	3,765 44	
New fuel and water stations	27 53	
New machinery and tools	414 81	
New side tracks	13,616 52	
New bridges and culverts	12,137 37	
New docks, wharves, landings and inclines	278 09	
New fences	3,251 84	
Rails	10,437 09	
Fastenings, etc.	3,514 28	
Roadway and track	89,834 79	
Right-of-way	2,633 05	
Real estate . . . Cr.	543 50	
	$153,841 54	
Additional new appliances for equipment	149 13	
Total		153,990 67
Credit balance June 30th, 1901		$1,336,009 33

EQUIPMENT REPLACEMENT FUND.

By Credit balance July 1st, 1900	$ 90,345 18	
By Value of equipment destroyed and sold during fiscal year ended June 30th, 1901	96,222 88	$186,568 06
To Value of replacements during fiscal year ended June 30th, 1901		162,005 44
Credit balance June 30th, 1901		$ 24,562 62

SUMMARY.

General Improvement Fund, credit balance June 30th, 1901,	$1,336,009 33
Equipment Replacement Fund, " June 30th, 1901,	24,562 62
Total Reserve Funds, credit balance June 30th, 1901,	$1,360,571 95

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EXHIBIT W.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1901.

The following statement, considered in connection with the foregoing financial exhibits, furnishes, in a condensed form, an analysis of all resources; showing, also, how the same were applied during the fiscal year ended June 30th, 1901.

RESOURCES.			
NET EARNINGS AS PER INCOME ACCOUNT			$2,754,282 34
MISCELLANEOUS CREDITS TO INCOME (PROFIT AND LOSS) ACCOUNT—			
Interest on bonds owned		$ 7,510 00	
Trackage rentals		3,960 00	
Proceeds of sale $1,000,000.00, 2nd mortgage income bond certificates		770,000 00	
All other receipts		70,725 27	852,195 27
INCREASE IN LIABILITIES—			
Second mortgage income bonds		$1,000,000 00	
Equipment trust obligations		339,703 89	
Current liabilities—			
Interest on bonds due and accrued	$ 190,045 23		
Sundry accounts payable	204,162 85		
Hospital fund	4,279 75		
Reserve funds	1,270,226 77	1,668,714 60	3,008,418 49
			$6,614,896 10
APPLICATION OF RESOURCES.			
MISCELLANEOUS CHARGES TO INCOME (PROFIT AND LOSS) ACCOUNT—			
Accrued interest on 1st mortgage bonds,		$ 800,000 00	
Interest earned on 2nd mortgage income bonds—			
Calendar year ended December 31st, 1900	$380,000 00		
Six months ended June 30th, 1901	200,000 00	580,000 00	
Taxes accrued		155,771 20	
Equipment payments		258,825 21	
Rental of leased lines		16,950 00	
General improvement fund appropriation		1,490,000 00	
Sundry amounts		51,027 15	$3,352,573 56
INCREASE IN ASSETS—			
Cost of road and equipment		$1,000,000 00	
Construction accounts		47,482 73	
Bonds and stocks owned		3,500 00	
Other permanent investments		4,624 93	
Current assets—			
Cash	$1,308,364 26		
Sundry accounts collectible	313,984 57		
Advances to sundry agents (to be accounted for)	4,993 55		
Prepaid insurance	361 60		
Supplies on hand	235,523 01	1,863,226 99	
Trust equipment—unpaid balance		343,487 89	3,262,322 54
			$6,614,896 10

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TRAFFIC.

Passenger Traffic—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried	1,281,928	994,503	287,425	28.90	—	—
Number of passengers carried one mile	57,983,590	41,908,926	16,074,664	38.36	—	—
Number of passengers carried one mile per mile of road	45,459	33,309	12,150	36.48	—	—
Average distance one passenger carried (miles)	45.23	42.14	3.09	7.33	—	—
*Total passenger revenue	$1,400,712.70	$1,013,026.96	$387,685.74	38.27	—	—
*Average revenue per passeng'r	$1.0927	$1.0186	$0.0741	7.27	—	—
*Average revenue per passenger per mile	$0.0242	$0.0242	—	—	—	—

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

Freight Traffic—Entire System.

Item.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Per cent.	Decrease	Per cent.
Number of revenue tons carried	2,399,171	2,101,048	298,123	14.19	—	—
Number of revenue tons carried one mile	468,837,265	412,395,505	56,441,760	13.69	—	—
Number of revenue tons carried one mile per mile of road	367,571	327,766	39,805	12.14	—	—
Average distance haul of one revenue ton (miles)	195.42	196.28	—	—	.86	.44
*Total freight revenue	$5,652,872.51	$4,594,855.26	$1,058,017.25	23.03	—	—
*Average revenue per revenue ton	$2.3562	$2.1869	$0.1693	7.74	—	—
*Average revenue per revenue ton per mile	$0.0121	$0.0111	$0.0010	9.01	—	—

*Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

Note.—Number of tons of Company freight carried (not included in revenue freight in this table) during year ended June 30th, 1901, 327,123 tons, and for the preceding fiscal year, 326,196 tons, an increase of 927 tons.

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Classification of Revenue Tonnage—Entire System.

Commodities.	Year ended June 30, 1901.		Year ended June 30, 1900.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Grain	131,728	5.49	131,707	6.27	21	.02	—	—
Flour	51,840	2.16	52,052	2.48	—	—	212	.41
Other mill products	31,361	1.31	24,599	1.17	6,762	27.49	—	—
Hay	28,092	1.17	28,242	1.34	—	—	150	.53
Tobacco	116	.00	566	.03	—	—	450	79.51
Cotton	195,536	8.15	138,437	6.59	57,099	41.25	—	—
Cotton seed products	165,816	6.91	109,463	5.21	56,353	51.48	—	—
Fruit and vegetables	27,174	1.13	43,576	2.07	—	—	16,402	37.64
Live stock	35,626	1.49	52,078	2.48	—	—	16,452	31.59
Dressed meats	1,209	.05	312	.02	897	287.50	—	—
Other packing house products	18,174	.76	22,430	1.07	—	—	4,256	18.97
Poultry, game and fish	141	.01	194	.01	—	—	53	27.32
Wool	50	.00	29	.00	21	72.41	—	—
Hides and leather	267	.01	298	.01	—	—	31	10.40
Anthracite coal	205	.01	218	.01	—	—	13	5.96
Bituminous coal	78,404	3.27	58,137	2.77	20,267	34.86	—	—
Coke	8,005	.33	9,120	.43	—	—	1,115	12.23
Ores	2,458	.10	3,088	.15	—	—	630	20.40
Salt	9,082	.38	7,801	.37	1,281	16.42	—	—
Stone, sand and other like articles	9,399	.39	9,353	.45	46	.49	—	—
Lumber	1,205,350	50.24	1,071,146	50.98	134,204	12.53	—	—
Petroleum and other oils	38,093	1.59	33,789	1.61	4,304	12.74	—	—
Sugar	10,839	.45	15,680	.75	—	—	4,841	30.87
Naval stores	486	.02	278	.01	208	74.82	—	—
Iron, pig and bloom	2,601	.11	10,347	.49	—	—	7,746	74.86
Iron and steel rails	26,815	1.12	11,146	.53	15,669	140.58	—	—
Other castings and machinery	20,962	.87	28,637	1.36	—	—	7,675	26.80
Bar and sheet metal	2,899	.12	4,342	.21	—	—	1,443	33.23
Cement, brick and lime	34,174	1.42	30,028	1.43	4,146	13.81	—	—
Agricultural implements	5,222	.22	4,486	.21	736	16.41	—	—
Wagons, carriages, tools, etc.	11,469	.48	8,440	.40	3,029	35.89	—	—
Wines, liquors and beers	9,226	.38	8,892	.42	334	3.76	—	—
Household goods and furniture	15,131	.63	9,048	.43	6,083	67.23	—	—
Merchandise	128,958	5.38	102,706	4.89	26,252	25.56	—	—
Miscellaneous	92,263	3.85	70,383	3.35	21,880	31.09	—	—
Total	2,399,171	100.00	2,101,048	100.00	298,123	14.19	—	—
Tonnage originating on this system	1,591,159	66.32	1,380,131	65.69	211,028	15.29	—	—
Tonnage received from connecting lines	808,012	33.68	720,917	34.31	87,095	12.08	—	—
Total	2,399,171	100.00	2,101,048	100.00	298,123	14.19	—	—
Tonnage north-bound	1,287,477	53.66	1,078,820	51.35	208,657	19.34	—	—
Tonnage south-bound	1,111,694	46.34	1,022,228	48.65	89,466	8.75	—	—
Total	2,399,171	100.00	2,101,048	100.00	298,123	14.19	—	—

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CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

FREIGHT.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year	5,834	5,456	378	6.93	—	—
Average number of freight cars in service during the year	5,349	5,010	339	6.77	—	—
Number of miles run by all freight trains (including mixed trains)	2,232,690	1,983,970	248,720	12.54	—	—
Number of miles run by freight cars on this line—						
Loaded	33,305,204	30,252,077	3,053,127	10.09	—	—
Empty (includes cabooses)	14,272,742	11,969,116	2,303,626	19.25	—	—
All	47,577,946	42,221,193	5,356,753	12.69	—	—
Home	23,648,824	22,554,311	1,094,513	4.85	—	—
Foreign	23,929,122	19,666,882	4,262,240	21.67	—	—
Number of miles run by home cars on foreign lines	15,543,503	18,024,830	—	—	2,481,327	13.77
Percentage of empty car mileage to total car mileage	30.00	28.34	1.66	5.86	—	—
Average number of cars in each freight train—						
Loaded	14.92	15.25	—	—	.33	2.16
Empty (includes cabooses)	6.39	6.03	.36	5.97	—	—
All	21.31	21.28	.03	.14	—	—
Average load in tons—						
Per loaded car (revenue freight)	14.08	13.63	.45	3.30	—	—
Per loaded car (revenue and company freight)	15.38	15.15	.23	1.52	—	—
Per train (revenue freight)	209.99	207.86	2.13	1.02	—	—
Per train (revenue and company freight)	229.36	231.03	—	—	1.67	.72
Average number of miles run per car per day—						
On this line—home	21	25	—	—	4	.16
On this line—foreign	22	25	—	—	3	.12
On foreign lines—home	20	20	—	—	—	—
PASSENGER.						
Total number of passenger cars owned (all classes) at close of the year	107	107	—	—	—	—
Average number of passenger cars in service during the year	109	106	3	2.83	—	—
Number of miles run by passenger trains (not including mixed trains)	1,596,924	1,462,097	134,827	9.22	—	—
Number of miles run by passenger cars on this line—						
Home	6,501,485	5,654,169	847,316	14.99	—	—
Foreign	1,464,417	1,035,560	428,857	41.41	—	—
All	7,965,902	6,689,729	1,276,173	19.08	—	—
Average number of cars in each passenger train	4.72	4.33	.39	9.01	—	—
Average number of miles run per car per day—						
Home	175	167	8	4.79	—	—
Foreign	108	129	—	—	21	16.28

NOTE.—Effective July 1st, 1900, mileage of cabooses is treated as empty car mileage, in compliance with established rules of the Interstate Commerce and State Railroad Commissions. For purposes of comparison, loaded and empty car mileage, and the averages based thereon, for the year ending June 30th, 1900, have been changed accordingly.

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Amounts Paid and Received for Mileage and Hire of Freight Cars.

Description.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Per cent.	Decrease.	Per cent.
Amounts paid—						
For mileage of foreign freight cars on this line	$153,166 28	$128,591 67	$24,574 61	19.11	—	—
For hire of freight cars (500 stock)	36,000 00	38,001 71	—	—	$ 2,001 71	5.27
Total	$189,166 28	$166,593 38	$22,572 90	13.55	—	—
Amounts received—						
For mileage of St. L. S-W. Ry. System freight cars on foreign roads	93,301 58	108,175 61	—	—	$14,874 03	13.75
Net balance paid out . . .	$ 95,864 70	$ 58,417 77	$37,446 93	64.10	—	—

Note.—From the foregoing statement it will be noted that the amount paid for mileage of foreign freight cars on this line during the year ended June 30th, 1901, shows a substantial increase over the preceding year. This increase was due to heavy traffic generally, and particularly to the largely increased traffic received from connecting lines in loaded foreign cars.

The decrease in the amount received for mileage of St. L. S-W. Ry. freight cars on foreign roads was due to the heavy cotton crop and to increased local traffic, which made it necessary to transfer home cars at junction points and retain them for service on the line.

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MAINTENANCE OF WAY AND STRUCTURES.

During the fiscal year the roadway, track, bridges and buildings have been fully maintained and the general condition thereof substantially improved, as will be seen by reference to the following exhibits:

Road Department.

Character of Rail in Main Track, June 30th, 1901.

Location.	75-lb. Steel. Track miles.	60-lb. Steel. Track miles.	56-lb. Steel. Track miles.	55-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—						
Main line	87.09	—	330.91	—	—	418.00
New Madrid branch	—	—	—	—	5.70	5.70
Gray's Point branch	—	—	51.40	—	—	51.40
Stuttgart branch . .	—	—	—	—	34.80	34.80
Little Rock branch	—	—	41.70	—	—	41.70
Shreveport branch .	—	—	59.50	—	—	59.50
Gray's Point Terminal Ry. Co. . .	—	—	—	16.40	—	16.40
Total	87.09	—	483.51	16.40	40.50	627.50
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—						
Main line	16.66	6.15	281.79	—	—	304.60
Sherman branch . .	—	—	109.90	—	—	109.90
Ft. Worth branch .	—	—	97.20	—	—	97.20
Hillsboro branch .	—	—	40.00	—	—	40.00
Lufkin branch . . .	—	—	15.24	—	73.36	88.60
Total	16.66	6.15	544.13	—	73.36	640.30
ENTIRE SYSTEM—						
June 30th, 1901 . .	103.75	6.15	1,027.64	16.40	113.86	1,267.80
June 30th, 1900 . .	70.64	6.15	1,045.68	16.40	94.13	1,233.00
Increase this year .	33.11	—	—	—	19.73	34.80
Decrease this year .	—	—	18.04	—	—	—

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NEW STANDARD 75-POUND STEEL RAIL PURCHASED AND PLACED IN MAIN TRACK AND LEADS TO SIDE TRACKS.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . . .	1010 $\frac{1000}{2240}$	8.58
During fiscal year ended June 30th, 1896 . . .	2120 $\frac{550}{2240}$	17.99
During fiscal year ended June 30th, 1897 . . .	301 $\frac{1310}{2240}$	2.56
During fiscal year ended June 30th, 1898 . . .	2089 $\frac{1390}{2240}$	17.73
During fiscal year ended June 30th, 1899 . . .	902 $\frac{370}{2240}$	7.65
During fiscal year ended June 30th, 1900 . . .	2000 $\frac{950}{2240}$	16.97
During fiscal year ended June 30th, 1901 . . .	11667 $\frac{550}{2240}$	98.99
Total purchased	20092 $\frac{200}{2240}$	170.47
PUT IN TRACK TO REPLACE LIGHTER RAIL—		
During fiscal year ended June 30th, 1895 . . .	522 $\frac{1620}{2240}$	4.43
During fiscal year ended June 30th, 1896 . . .	1069 $\frac{1815}{2240}$	9.08
During fiscal year ended June 30th, 1897 . . .	1272 $\frac{1845}{2240}$	10.80
During fiscal year ended June 30th, 1898 . . .	2557 $\frac{595}{2240}$	21.70
During fiscal year ended June 30th, 1899 . . .	998 $\frac{605}{2240}$	8.47
During fiscal year ended June 30th, 1900 . . .	1983 $\frac{355}{2240}$	16.83
During fiscal year ended June 30th, 1901 . . .	3923 $\frac{335}{2240}$	33.29
Total in track	12327 $\frac{450}{2240}$	104.60
PUT IN TRACK TO REPLACE 75-POUND RAIL—		
During fiscal year ended June 30th, 1900 . . .	8 $\frac{780}{2240}$	.07
Total used	12335 $\frac{1230}{2240}$	104.67
Balance on hand June 30th, 1901	7756 $\frac{1210}{2240}$	65.80

NOTE.—In addition to the foregoing statement of rail purchased, there has been ordered for delivery in October, 1901, 10,000 tons of 75-pound steel rail; sufficient to relay about 85 miles of track.

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CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1901.

DESCRIPTION.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Rock	8.30	—	8.30
Gravel and sand	274.88	—	274.88
Cinders	27.01	—	27.01
Natural soil and length of bridges and trestles	—	317.31	317.31
Total	310.19	317.31	627.50
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Rock	96.07	—	96.07
Gravel and sand	134.37	—	134.37
Cinders	26.97	—	26.97
Natural soil and length of bridges and trestles	—	382.89	382.89
Total	257.41	382.89	640.30
ENTIRE SYSTEM—			
Rock	104.37	—	104.37
Gravel and sand	409.25	—	409.25
Cinders	53.98	—	53.98
Natural soil and length of bridges and trestles	—	700.20	700.20
Total current fiscal year, ended June 30, 1901	567.60	700.20	1,267.80
Total current fiscal year, ended June 30, 1900	543.67	689.33	1,233.00
Increase	23.93	10.87	34.80

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Fencing on Right of Way—Entire System.

Location.	Linear miles of fence.	
	Built this year.	Total June 30, 1901.
St. Louis Southwestern Ry. Co.	42.59	672.53
St. Louis Southwestern Ry. Co. of Texas . .	146.25	811.50
Total	188.84	1,484.03

Description of Telegraph Lines—Entire System.

Mileage.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.
Miles of railroad	1,267.8	1,233.0	34.8
Miles of wire—			
Owned by this company (on poles owned by Western Union Telegraph Company) . .	1,339.8	1,238.0	101.8
Owned by Western Union Telegraph Company	2,926.0	2,870.0	56.0
Owned by Texas Midland R. R. Between Commerce and Greenville, Tex.	29.0	29.0	—
Owned by Gulf, Colorado and Santa Fe R. R. Between Wolfe City and Sherman, Tex. .	39.0	39.0	—
Total	4,333.8	4,176.0	157.8

Note.—The telegraph wires owned by this company and the Western Union Telegraph Company are operated jointly.

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COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT, DURING YEARS ENDED JUNE 30TH, 1901-1900.

CHARACTER OF WORK.	St. L. S-W. Ry. Co.		St. L. S-W. Ry. Co. of Texas.		Entire System.	
	Year ended June 30, 1901.	Year ended June 30, 1900.	Year ended June 30, 1901.	Year ended June 30, 1900.	Year ended June 30, 1901.	Year ended June 30, 1900.
Miles of track ditched by plow	2.0	13.2	.5	6.5	2.5	19.7
Miles of track ballasted	20.0	28.7	1.7	—	21.7	28.7
Miles of track laid and relaid with 75-lb. steel	16.64	16.9	16.66	—	33.30	16.9
Miles of track laid and relaid with 56-lb. steel	5.8	5.6	17.0	13.4	22.8	19.0
Miles of track laid and relaid with 35-lb. steel	3.9	3.9	2.0	4.6	5.9	8.5
Miles of new saw mill spurs, private and side tracks	5.7	6.2	6.7	5.0	12.4	11.2
Miles of old side tracks taken up	4.9	3.8	3.2	.9	8.1	4.7
Number of cross-ties placed in track	267,750	320,779	267,289	392,095	535,039	712,874
Sets of switch-ties placed in track	83	102	118	114	201	216

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BRIDGE AND BUILDING DEPARTMENT.

BRIDGES—STATEMENT OF PERMANENT SPANS, JUNE 30TH, 1901.

LOCATION.	Mile post.*	No. of spans.	Length each.	Total length.	Kind of Structure.	Class.†	Year built.
ST. LOUIS SOUTHWESTERN R'Y CO.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss	A	1890
Total	—	20	—	2,357	—	—	—
ENTIRE SYSTEM	—	43	—	6,196	—	—	—

*NOTE.—Location of mile posts; without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†NOTE.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.

Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.

Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.

Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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BRIDGES—STATEMENT OF TRESTLE BRIDGING, JUNE 30TH, 1901.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	23,407	4.43
Jonesboro section	33,143	6.28
Pine Bluff section	45,551	8.63
Gray's Point incline	1,303	.25
Gray's Point branch	9,506	1.80
Little Rock branch	4,148	.78
Shreveport branch	4,658	.88
Total	123,042	23.30
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	32,831	6.22
Tyler section	29,602	5.61
Waco section	4,302	.81
Ft. Worth branch	19,137	3.62
Sherman branch	19,701	3.73
Lufkin branch	11,390	2.16
Hillsboro branch	4,628	.88
Total	121,591	23.03
ENTIRE SYSTEM, June 30th, 1901	244,633	46.33
ENTIRE SYSTEM, June 30th, 1900	247,477	46.87
Decrease this year	2,844	.54

NOTE.—The decrease of 2,844 feet, or .54 of one mile in the total length of trestle bridging during the fiscal year, is the result of the continuation of the policy of filling up unnecessary trestles and substituting therefor culverts of vitrified tile, cast iron pipe, or bois d'arc boxes, thus permanently reducing the cost of maintenance.

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Renewals and Improvements in Bridge and Building Department (completed structures only), Year Ended June 30th, 1901.

St. Louis Southwestern R'y Co.			Cost.
New wooden trestles	3,986	Linear feet	$ 14,199 71
Tile culverts	1		158 92
Wire fence	224,852	Linear feet	5,446 53
Farm gates	31		271 12
Casting platform (gravel) at Pine Bluff, Ark.	3,395	Square feet	117 40
Cotton platforms (wood)	9,984	Square feet	832 06
Freight platforms (wood)	240	Square feet	32 35
Station buildings (new)	3		11,611 67
Store room and office bldg. at Jonesboro, Ark.	1		376 57
Sidewalk at Jonesboro, Ark.	160	Square feet	70 00
Water closets	6		151 59
Car sheds at Pine Bluff, Ark.	2		5,048 45
Shed over iron rack at Pine Bluff, Ark.	1		129 24
Pipe line to river at Gray's Point, Mo.—water service			522 91
Mail cranes	11		231 51
Cattle guards (standard)	74		1,960 05
Train order signal boards	3		70 85
Steel girder turn-table at Jonesboro, Ark.			2,394 28
Watchman's shanty at Pine Bluff, Ark.			56 13
Section and two bunk houses at Hickory Ridge, Ark.			1,172 79
Section tool houses	1		48 78
Water stations rebuilt			1,433 50
Raising trestles account grade improvements			4,606 14
Railroad crossing gates	2		50 46
Painting passenger pavilion at Baucum, Ark.			18 46
Cottage at Paw Paw, Mo.			435 33
Total, fiscal year ended June 30th, 1901			$ 51,446 80
Total, fiscal year ended June 30th, 1900			79,079 56
Decrease this year			$ 27,632 76
St. Louis Southwestern R'y Co. of Texas.			
New wooden trestles	5,849	Linear feet	$ 18,777 95
Wire fence	772,235	Linear feet	17,307 93
Farm gates	188		1,622 84
Cotton platforms (wood)	34,134	Square feet	1,449 84
Freight platforms (wood)	10,148	Square feet	944 94
Passenger platforms (gravel)	4,160	Square feet	230 45
Station buildings (new)	6		6,313 55
Station buildings (extensions)	6		9,501 51
Water stations (new)	1		1,687 31
Water stations (rebuilt)	3		3,391 04
Water closets	3		83 78
Mail cranes	2		38 52
Cattle guards	131		3,155 14
Office bldgs. at Tyler and Mt. Pleasant, Tex.	2		8,097 04
Steel girder turn-table at Texarkana, Tex.			3,005,94
Track scales (rebuilt)	3		773 61
Sidewalks (brick and stone)	2		397 55
Section house fences	2		87 38
Motive power boiler shed at Tyler, Tex.	1		95 70
Office in store room at Tyler, Tex.	1		28 56
Filing case	1		9 54
Amount carried forward			$ 77,000 12

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RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.			Cost.
Amount brought forward			$ 77,000 12
Stock pens (new)	3		740 11
Stock pens (extensions)	3		330 31
Beautifying office grounds, fencing, etc., at Tyler, Tex.			293 43
Motive power wells	3		1,695 08
Yard improvement at Texarkana, Tex.			2,010 66
Raising trestles account of grade improvements			4,032 04
Incline to store room at Tyler, Tex.			18 21
Pump houses	1		89 80
Way-bill press tables	1		8 64
Sand houses	1		113 24
Coal bins	3		91 00
Coal platform	3,800	Square feet	374 66
Sawdust bin	1		35 69
Railroad crossing gates	2		29 54
Packing shed and extension to platform, at Flint, Tex.			99 13
Waste-way to pond, Tom Bean, Tex. (rebuilt) —water service			83 63
Total, fiscal year ended June 30th, 1901			$ 87,045 29
Total, fiscal year ended June 30th, 1900			47,243 99
Increase this year			$ 39,801,30
ENTIRE SYSTEM.			
Total, fiscal year ended June 30th, 1901			$138,492 09
Total, fiscal year ended June 30th, 1900			126,323 55
Increase this year			$ 12,168 54

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Engineering Department.

During the current fiscal year, designs and estimates for various structures and for the improvement of grade lines and alignments, terminal yard plans, station facilities, etc., have been completed, and form valuable additions to the permanent records of this department.

Important Improvement Work.

On account of the increased weight of new rolling stock, both engines and cars, it was deemed advisable to have an examination made of all iron truss bridges on the entire system by a competent bridge expert. The result of this examination was in the main very satisfactory, but there are still some bridges on the line which will have to be strengthened to safely carry the heavy freight engines. These bridges received immediate attention in the way of temporary work, and designs were prepared and material ordered to strengthen them permanently. This work was under way but not completed at the close of the current fiscal year. The cost of putting all of the iron truss bridges needing attention in good order is approximately $10,000.00. A contract was let during the current fiscal year for replacing the 300 foot draw-span crossing the Red River, near Garland City, Ark., with a heavier structure. This work was still in progress at the close of the current fiscal year. The estimated cost of this new span is, in round figures, $30,000.00.

Complete estimates and surveys have been made for the improvement of the roadway between Gray's Point, Mo., and Pine Bluff, Ark., and the reduction of all grades between Pine Bluff and Texarkana to a one per cent. compensated grade. North of Pine Bluff, where there is practically no reduction of grades to be made, the estimates provide for ballasting the track and widening the banks to permit of proper maintenance of the roadbed. Considerable work has been done under these estimates. Between Gray's Point and Delta, rock ballasting is under way,

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and gravel is being put under the track in the vicinity of Fisher, Hunter and Fair Oaks. South of Camden considerable steam shovel work is in progress in connection with reduction of grades and curvature. This work is referred to more specifically in succeeding paragraphs.

On portions of the main line of the St. Louis Southwestern Ry. Co., between Pine Bluff and Texarkana, and from Pine Bluff northward, 56 pound rail was replaced with 75 pound rail, and on the St. Louis Southwestern Ry. Co. of Texas, work was commenced in replacing 56 pound rail with 75 pound, between Texarkana and Mt. Pleasant, and replacing 35 pound rail on the Lufkin Branch with the 56 pound rail released by the 75 pound replacement.

The following improvement work, commenced during the preceding fiscal year, and specifically mentioned in the last annual report, was practically completed during the current fiscal year:

Gilkerson Hill, M. P. 128 to 133, inclusive, Main Line, Arkansas: Reduction of grade, etc.

White River Bottom, M. P. 211 to 219, inclusive, and Roe Hill, M. P. 220 and 221, Main Line, Arkansas: Raising of embankments in White River Bottom, reduction of grade on Roe Hill.

Revision of yard at Mt. Pleasant, Tex., M. P. 479, Main Line, Texas: Laying of additional tracks, reduction of grades, etc.

Little Cypress Bottom, M. P. 505 to 508, inclusive, Main Line, Texas: Raising embankments, renewal of trestles, and reduction of approaching grades.

Tehuacana Creek Bottom, M. P. 669, Main Line, Texas: Reduction of grade north of creek, hauling earth to creek bottom, widening embankments, raising tracks above overflow, ballasting track, raising and extending trestles and putting masonry pier foundations under the girder span across the creek. All of this work was completed at the close of the current fiscal year except the masonry piers, which will be finished during the ensuing fiscal year.

New motive power yard at East Waco, Tex., M. P. 676, Main Line, Texas: This work was well under way at the close of the current fiscal year, with prospects of transferring the yard from Waco to East Waco early in the ensuing fiscal year.

The following important work, under the supervision of the engineering department, in connection with the improvement of the roadway and track, such as reduction of grades and

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curvature, raising track above overflow, etc., was commenced during the current fiscal year, and is worthy of special mention:

Finn Hill, M. P., 344, Main Line, Arkansas: Reduction of gradients and curvature and rectifying waterways. This work was commenced in August, 1900, and completed in January, 1901.

Buena Vista Hill, M. P. 345 to 350, inclusive, Main Line, Arkansas: Reduction of gradients and curvature and rectifying waterways. Work was commenced in September, 1900, and nearly completed at the close of the current fiscal year.

Ogemaw District, M. P. 350 to 354, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, raising sags, widening banks, raising trestles, extending culverts and ballasting track with gravel. Work was commenced in May, 1901, and was still in progress at the close of the fiscal year.

Milton Hill District, M. P. 410 to 416, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, raising sags, widening embankments, raising and extending culverts and trestles, rearranging cattle guards and telegraph poles, and ballasting track with gravel. Work was commenced in May, 1901, and was still in progress at the close of the current fiscal year.

College Hill District, M. P. 416 to 418, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, raising sags, widening embankments, raising and extending trestles, culverts and cattle guards, moving telegraph poles, and ballasting track with gravel. Work was commenced in March, 1901, and was uncompleted at the close of the current fiscal year.

Texarkana, Tex., Yard, M. P. 418, Main Line, Texas: The switching yard at Texarkana has long been inadequate for the necessities of this important junction. During the year detailed plans were made for a modern switching yard, and the necessary property to admit of its construction was purchased. In order to raise the yard, the surplus dirt from the College Hill district grade improvements was used, and although the yard was not completed at the close of the current fiscal year, the work was well under way and will be completed during the ensuing fiscal year. This yard, when completed, will have a capacity of from 500 to 600 cars.

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MAINTENANCE OF EQUIPMENT.

LIST OF EQUIPMENT OWNED AND LEASED—ENTIRE SYSTEM.

CLASS.	On hand June 30, 1900.	Changes during year. Purchased.	Built and rebuilt.	Destroyed.	Sold.	Changed. From	Changed. To	On hand June 30, 1901.
LOCOMOTIVES—								
Eight-wheel:								
14 x 22	—	1	—	—	—	—	—	1
16 x 24	34	—	—	—	—	—	—	34
17 x 24	26	—	—	—	1	—	—	25
18 x 26	—	7	—	—	—	—	—	7
Total	60	8	—	—	1	—	—	67
Ten-wheel:								
17 x 24	6	—	—	—	—	—	—	6
20 x 26	9	6	—	—	—	—	—	15
Total	15	6	—	—	—	—	—	21
Mogul:								
14 x 20	1	—	—	—	1	—	—	—
15 x 20	12	—	—	—	9	—	—	3
18 x 24	30	—	—	—	—	—	—	30
Total	43	—	—	—	10	—	—	33
Compound (eight-wheel):								
19 x 29 x 24	3	—	—	—	—	—	—	3
Switch (six-wheel):								
18 x 24	2	—	1	—	—	—	—	3
Grand total	123	14	1	—	11	—	—	127
PASSENGER CARS—								
Official	5	—	—	—	—	—	—	5
Parlor	5	—	—	—	—	—	—	5
Chair	18	3	—	—	—	—	—	21
Coaches	44	7	—	—	2	3	—	46
Combination	1	—	—	—	1	—	1	1
Baggage and express	10	—	—	—	—	—	—	10
Mail and express	20	—	—	—	—	—	—	20
Mail	4	—	—	—	—	—	—	4
Total	107	10	—	—	3	3	1	112
FREIGHT CARS—								
Refrigerator	25	—	—	1	—	—	—	24
Furniture	432	—	—	6	—	—	—	426
Caboose	71	—	—	3	—	—	—	68
Box	3,183	500	—	67	4	—	—	3,612
Stock	773	—	—	13	—	—	—	760
Flat	561	—	—	16	1	—	—	544
Tank	4	—	—	—	—	—	—	4
Coal	407	—	—	11	—	—	—	396
Total	5,456	500	—	117	5	—	—	5,834
WORK CARS—								
Ballast	50	150	—	—	—	—	—	200
Cinder	11	—	—	1	—	—	—	10
Derricks	7	—	—	1	—	—	—	6
Steam shovels	2	1	—	—	—	—	—	3
Ditching plow	1	—	—	—	—	—	—	1
Plow	1	—	—	—	—	—	—	1
Pile drivers	2	—	—	—	—	—	—	2
Lidgerwood unloader	2	2	—	—	1	—	—	3
Dozier	2	—	—	—	—	—	—	2
Boarding (changed from passenger)	—	—	2	—	—	—	2	4
Total	78	153	2	2	1	—	2	232

NOTE.—The capacity of the several classes of freight cars on hand June 30, 1901, is as follows: Refrigerator, 40,000, 24; Furniture, 40,000, 64; 60,000, 362; Box, 40,000, 1,767; 60,000, 1,845; Stock, 40,000, 760; Flat, 40,000, 544; Tank, 50,000, 4; Coal, 40,000, 365; 60,000, 31, making a total capacity of freight cars in tons of 137,720, as compared with 121,600 on June 30th, 1900, an increase of 16,120 tons.

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Statement of Equipment Purchased, Built and Rebuilt at Company Shops.

Year Ended June 30th, 1901.

Class of Equipment.	Purchased under trust agreements.		Purchased for cash.		Built and rebuilt at company shops		Total.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives—								
Six-wheel, 18x24 . . .	—	—	—	—	1	$8,151 81		
Eight-wheel, 14x22 (acquired in Stuttgart & Ark. River R. R. purchase)	—	—	1	—	—	—	15	$192,051 81
Eight-wheel, 18x26 . .	7	$ 92,400 00	—	—	—	—		
Ten-wheel, 20x26 . . .	6	91,500 00	—	—	—	—		
Coaches	5	25,489 00	—	—	—	—	5	25,489 00
Chair cars	3	21,230 40	—	—	—	—	3	21,230 40
Box cars (60,000 capacity)	500	339,437 50	—	—	—	—	500	339,437 50
Work cars—								
Lidgerwood unloaders	—	—	2	$ 9,667 29	—	—	153	103,884 69
Steam shovels	—	—	1	8,132 40	—	—		
Ballast	150	86,085 00	—	—	—	—		
Boarding cars (converted from passenger cars), acquired in Stuttgart & Ark. Riv. R. R. purchase	—	—	2	—	—	—	2	—
Floating equipment—								
Steamer "Marian," (I. C. R. R. Co.'s ½ interest)	—	—	1	15,227 00	—	—	1	15,227 00
Total	671	$656,141 90	7	$33,026 69	1	$ 8,151 81	679	$697,320 40

Repairs and Renewals of Equipment (Rolling Stock)—Entire System.

Average Number in Service and Total Cost.

Class of Equipment.	Year ended June 30th, 1901.			Year ended June 30th, 1900.		
	Average No. in service.	Total cost.	Average cost each.	Average No. in service.	Total cost.	Average cost each.
Locomotives	131	$265,938 64	$2,030 07	130	$208,130 29	$1,601 00
Passenger cars	114	68,400 36	600 00	110	68,163 21	619 67
Freight and work cars .	5,621	244,294 94	43 46	5,232	243,642 49	46 57
Total	—	$578,633 94	—	—	$519,935 99	—
Increase this year .	—	$ 58,697 95	—	—	—	—

Average Cost per Locomotive per Mile and per Car per Mile.

Class of Equipment.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Decrease.
Locomotives	$ 0.0503	$ 0.0461	$ 0.0042	—
Passenger cars	0.0105	0.0121	—	$ 0.0016
Freight and work cars	0.0062	0.0060	0.0002	—

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CONCLUSION.

In the appendix of this report, which follows, will be found a table of mileage operated on June 30th, 1901, comparative statistical tables covering the operation of the line during the past ten years, income and financial exhibits for each of the corporations forming the system, for the fiscal year ended June 30th, 1901, and an exhibit of hospital service for the year.

The development of the country contiguous to the line has been satisfactory during the past year. Due encouragement has been given to parties seeking information, and a number of new industries have located along the line.

The indications, at the date of this report, point to a shortage in the cotton crop during the ensuing season, but it is hoped that the movement of other classes of traffic will more than offset the deficiency in that important commodity.

The improvements already completed, together with the additional equipment received and ordered for fall delivery will place the management in position to handle the heavy traffic of the coming season with greater efficiency than heretofore.

The management takes great pleasure in here acknowledging the loyal services and support of the officers and employes of the line during the past year.

Respectfully,

F. H. BRITTON,

Vice-President and Gen'l Manager.

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APPENDIX.

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I.

MILES OPERATED.

Miles of Track Operated, June 30th, 1901—Entire System.

Description.	Main track.	Side track.	Total.
St. Louis Southwestern Ry. Co.—			
Main line	418.0	111.9	529.9
New Madrid branch	5.7	.5	6.2
Gray's Point branch	51.4	8.5	59.9
Stuttgart branch	34.8	.3	35.1
Little Rock branch	41.7	3.4	45.1
Shreveport branch	59.5	9.0	68.5
Gray's Point Terminal Ry. (leased)	16.4	7.4	23.8
Total	627.5	141.0	768.5
St. Louis S-W. Ry. Co. of Texas—			
Main line	304.6	62.5	367.1
Sherman branch	109.9	15.5	125.4
Ft. Worth branch	97.2	16.3	113.5
Hillsboro branch	40.0	5.1	45.1
Lufkin branch	88.6	7.8	96.4
Dallas branch (joint track with G., C. & S. F. Ry.)	25.2	—	25.2
Total	665.5	107.2	772.7
Entire System—			
Total miles of track June 30, 1901	1,293.0	248.2	1,541.2
Total miles of track June 30, 1900	1,258.2	243.6	1,501.8
Increase	34.8	4.6	39.4

MILES OF MAIN TRACK BY STATES.

Description.	Mo.	Ark.	La.	Texas.	Total.
St. L. S-W. Ry. Co.	143.3	448.4	35.8	—	627.5
St. L. S-W. Ry. Co. of Texas	—	—	—	665.5	665.5
Total	143.3	448.4	35.8	665.5	1,293.0

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Comparative Statistics.

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II.

Gross Earnings by Months.

For Ten Years Ended June 30th, 1901—Entire System.

Miles operated.	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2	1,275.5
Months.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1901.
July	$324,298 18	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16	$334,712 74	$369,205 97	$428,143 68	$467,835 32
August	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69	415,233 20	455,693 45	481,368 19
September	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78	521,812 25	524,162 16	551,417 71
October	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82	666,456 12	601,597 45	771,703 77
November	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06	634,879 67	596,283 66	800,965 40
December	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56	632,023 29	617,045 70	796,708 23
January	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51	502,553 55	502,831 60	677,712 31
February	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78	387,111 35	449,697 22	616,629 56
March	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,072 18	469,746 25	471,580 35	621,437 31
April	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74	424,159 64	427,867 76	574,739 49
May	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87	435,308 03	413,091 82	531,668 01
June	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09	403,849 19	420,289 34	494,989 10
Total	$4,638,244 12	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43	$5,279,332 82	$5,862,338 51	$5,908,284 19	$7,387,174 40

III.

Operating Expenses (Including Betterments) by Months.

For Ten Years Ended June 30th, 1901—Entire System.

July	$296,154 97	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90	$313,243 07	$341,212 51	$352,035 53	$337,397 52
August	307,242 86	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44	336,652 05	360,363 32	341,349 31	322,957 04
September	324,218 42	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38	360,118 92	343,253 31	341,263 29
October	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49	411,010 17	380,097 89	388,133 68
November	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85	397,283 50	375,567 55	376,052 61
December	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30	371,400 52	372,354 10	397,794 84
January	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51	334,210 05	330,812 42	416,915 79
February	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81	299,970 99	313,338 66	382,238 84
March	285,258 03	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70	362,050 27	333,659 41	341,463 60	404,089 41
April	297,324 75	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77	321,665 95	339,116 67	424,867 88
May	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45	348,820 10	343,809 62	453,749 13
June	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67	329,372 71	322,874 10	387,432 03
Total	$3,826,076 65	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24	$4,173,327 62	$4,209,088 15	$4,156,072 76	$4,632,892 06
Per cent. of gross earnings	82.49	83.69	83.94	76.23	84.26	81.29	79.05	71.80	70.34	62.72

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IV.

Net Earnings by Months.

For Ten Years Ended June 30th, 1901—Entire System.

Miles operated.	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2	1,275.5
Months.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1901.
July	$ 28,143 21	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26	$ 21,469 67	$ 27,993 46	$ 76,108 15	$130,437 80
August	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64	54,869 88	114,344 14	158,411 15
September	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40	161,693 33	180,908 85	210,154 42
October	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33	255,445 95	221,499 56	383,570 09
November	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36	203,521 21	237,596 17	220,716 11	424,912 79
December	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45	162,122 26	260,622 77	244,691 60	398,913 39
January	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00	168,343 50	172,019 18	260,796 52
February	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97	87,140 36	136,358 56	234,390 72
March	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34	58,021 91	136,086 84	130,116 75	217,347 90
April	5,353 66	8,155 87	785 25	15,258 33	12,914 05	23,294 44	**16,505 03**	102,493 69	88,751 09	149,871 61
May	6,617 06	5,467 54	5,801 77	16,451 75	**9,930 51**	7,136 10	7,255 42	86,487 93	69,282 20	77,918 88
June	**26,120 14**	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**	**5,874 58**	74,476 48	97,415 24	107,557 07
Total	$812,167 47	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19	$1,106,005 20	$1,653,250 36	$1,752,211 43	$2,754,282 34

Note.—Heavy-faced type denotes deficit.

V.

Betterments (included in Operating Expenses) by Months.

For Ten Years Ended June 30th, 1901—Entire System.

July	$ 14,233 32	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38	$ 3,495 83	$ 22,197 00	$ 25,803 32	$30,684 67
August	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	22,002 61	26,141 92	20,616 59
September	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04	19,441 51	28,087 95	21,936 65
October	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	15,419 25	27,847 85	21,766 17
November	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	14,515 35	18,766 15	19,091 21
December	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04	8,439 37	34,860 44	16,755 73
January	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67	2,848 44	—	18,015 36	23,534 52
February	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07	9,225 38	5,866 26	13,318 46	10,097 16
March	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11	12,464 27	17,433 75	17,044 64	13,027 11
April	—	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98	21,837 48	12,992 24	23,380 22	18,224 28
May	4,282 55	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46	31,333 77	21,603 69	27,981 59	33,342 06
June	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68	21,805 21	22,841 31	24,749 93	29,191 77
Total	$129,266 71	$182,665 06	$113,547 81	$197,086 33	$210,894 92	$113,544 38	$132,809 88	$182,752 34	$285,997 83	$258,267 92

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VI.

Summary of Net Income (Profit and Loss) Account.

For Ten Years' Ended June 30th, 1901 — Entire System.

Fiscal year ended June 30.	Average miles operated.	Net earnings.	Taxes.	Surplus after paying taxes.	All other receipts.	Total income.	Charges. Interest and rentals. Fixed.	Charges. Interest and rentals. When earned.	Charges. Other charges, including equipment payments and reserve funds.	Charges. Total charges.	Balance. Surplus.	Balance. Deficit.
									Surplus July	1st, 1891 . .	$ 552,498 02	—
1892	1,222.1	$ 812,167 47	$ 107,326 22	$ 704,841 25	$ 125,099 05	$ 829,940 30	$ 800,000 00	—	$ 10,247 82	$ 810,247 82	19,692 48	—
1893	1,223.0	834,247 38	109,650 06	724,597 32	69,135 93	793,733 25	800,000 00	—	a 370,104 28	1,170,104 28	—	$ 376,371 03
1894	1,223.0	741,366 06	113,825 45	627,540 61	31,030 61	658,571 22	800,000 00	—	56,339 68	856,339 68	—	197,768 46
1895	1,223.0	1,239,953 48	117,729 01	1,122,224 47	b 307,236 69	1,429,461 16	800,000 00	—	96,212 20	896,212 20	533,248 96	—
1896	1,223.0	772,115 32	128,551 97	643,563 35	10,076 70	653,640 05	800,000 00	—	96,317 45	896,317 45	—	242,677 40
1897	1,223.0	887,658 19	121,485 44	766,172 75	3,584 17	769,756 92	800,000 00	—	92,676 30	892,676 30	—	122,919 38
1898	1,223.0	1,106,005 20	131,006 51	974,998 69	8,907 14	983,905 83	800,000 00	—	38,932 37	838,932 37	144,973 46	—
1899	1,249.8	1,653,250 36	133,494 85	1,519,755 51	c 565,054 55	2,084,810 06	809,887 50	f$180,000 00	53,082 04	1,042,969 54	1,041,840 52	—
1900	1,258.2	1,752,211 43	151,566 54	1,600,644 89	95,685 45	1,696,330 34	816,950 00	g 360,000 00	d 1,207,208 57	2,384,158 57	—	687,828 23
1901	1,275.5	2,754,282 34	155,771 20	2,598,511 14	e 852,195 27	3,450,706 41	816,950 00	h 580,000 00	i 1,799,852 36	3,196,802 36	253,904 05	—
									Total		$ 2,546,157 49	$ 1,627,564 50
									Surplus June 30th, 1901 .		$ 918,592 99	—

Explanatory Notes.

a. Includes $329,987.02 balance of Receiver's liabilities paid, less Receiver's assets received for current fiscal year.
b. Includes $282,917.50 surplus securities received from Reorganization Committee.
c. Includes $480,597.50 net proceeds sale of $1,000,000.00 second mtg. income bond certificates (issued to provide for betterments charged against income).
d. Includes $956,088.16 transferred from "Cost of Road and Equipment" (for new equipment $930,950.92, right of way, etc., $25,137.24), representing net amount expended and charged to that account since the organization of the Company (June 1, 1891), to June 30, 1899, in excess of amount of bonds and stock issued; also $204,889.41 equipment payments for current fiscal year.
e. Includes $770,000.00 net proceeds sale of $1,000,000.00 second mtg. income bond certificates (issued to provide for betterments charged against income).
f. Interest earned (2%) on second mortgage income bond certificates during calendar year 1898.
g. Interest earned (4%) on second mortgage income bond certificates during calendar year 1899.
h. Interest earned (4%) on second mortgage income bond certificates during calendar year 1900 ($380,000.00)—paid; also interest earned (4%) during six months ended June 30, 1901 ($200,000.00)—payable January 1, 1902.
i. Includes $1,490,000.00 "General Improvement Fund" appropriation; also $258,825.21 equipment payments for current fiscal year.

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VII.

Traffic Statistics.

For Ten Years Ended June 30th, 1901—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of revenue tons carried.	*Freight revenue.	Number of revenue tons carried one mile.	Freight train mileage, including ¼ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per revenue ton.	Average revenue per revenue ton per mile.	Average distance haul of one revenue ton (miles).	Average revenue per freight train mile.
1892	1,222.1	1,302,580	$3,553,748 88	270,433,058	1,839,486	$2,907 90	$2.7282	$0.0131	207.61	$1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2.6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932 01	358,109,737	2,169,415	3,384 25	2.3340	0.0116	201.94	1.9079
1899	1,249.8	1,887,609	4,619,985 26	380,660,588	2,103,430	3,696 58	2.4475	0.0121	201.66	2.1964
1900	1,258.2	2,101,048	4,594,855 26	412,395,505	1,962,864	3,651 93	2.1869	0.0111	196.28	2.3409
1901	1,275.5	2,399,171	5,652,872 51	468,837,265	2,210,014	4,431 89	2.3562	0.0121	195.42	2.5578

*Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VIII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	*Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1892	1,222.1	833,293	$ 854,039 43	33,131,148	1,156,760	$ 698 83	$1.0249	$0.0258	39.76	$0.7383
1893	1,223.0	842,493	879,526 52	35,019,502	1,279,192	719 15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121 45	37,153,691	1,477,639	698 38	1.0309	0.0230	44.84	0.5780
1899	1,249.8	899,048	910,867 27	38,373,916	1,483,845	728 81	1.0131	0.0237	42.68	0.6139
1900	1,258.2	994,503	1,013,026 96	41,908,926	1,483,203	805 14	1.0186	0.0242	42.14	0.6830
1901	1,275.5	1,281,928	1,400,712 70	57,983,590	1,619,600	1,098 17	1.0927	0.0242	45.23	0.8649

*Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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IX.

Train and Car Mileage Statistics

For Ten Years Ended June 30th, 1901—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load of revenue tons.		Average No. of miles run per car per day.		
		Loaded.	Empty (includes caboose mileage).	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per loaded car.	Per train.	On this line.		On fr'gn lines.
														Home	Fr'gn	Home
1892	1,892,895	25,034,513	11,393,800	36,428,313	18,329,984	18,098,329	10,800,469	31.28	13.23	6.02	19.25	10.80	142.87	22	26	18
1893	2,217,705	29,867,585	11,597,124	41,464,709	19,218,982	22,245,727	9,429,001	27.97	13.47	5.23	18.70	11.02	148.43	24	23	16
1894	1,858,914	24,831,907	10,225,871	35,057,778	22,137,184	12,920,594	9,602,422	29.16	13.36	5.50	18.86	11.36	151.79	24	19	20
1895	1,940,257	26,961,086	12,023,738	38,984,824	20,221,920	18,762,904	9,930,917	30.87	13.90	6.19	20.09	11.47	159.38	24	22	18
1896	1,987,431	26,700,735	12,481,485	39,182,220	18,982,235	20,199,985	11,541,435	31.85	13.43	6.29	19.72	11.72	157.49	24	25	19
1897	2,036,992	26,959,315	13,443,936	40,403,251	19,277,984	21,125,267	11,707,875	33.27	13.23	6.60	19.83	12.07	159.73	24	26	20
1898	2,187,854	29,095,070	14,483,480	43,578,550	20,195,428	23,383,122	11,945,326	33.24	13.30	6.62	19.92	12.31	163.68	25	23	18
1899	2,121,358	30,379,865	12,716,314	43,096,179	23,261,396	19,834,783	17,254,603	29.51	14.32	5.99	20.31	12.53	179.44	25	24	21
1900	1,983,970	30,252,077	11,969,116	42,221,193	22,554,311	19,666,882	18,024,830	28.34	15.25	6.03	21.28	13.63	207.86	25	25	20
1901	2,232,690	33,305,204	14,272,742	47,577 946	23,648,824	23,929,122	15,543,503	30.00	14.92	6.39	21.31	14.08	209.99	21	22	20

NOTE.—Effective July 1st, 1900, mileage of cabooses is treated as empty car mileage, in compliance with established rules of the Interstate Commerce and State Railroad Commissions. For purposes of comparison, loaded and empty car mileage, and the averages based thereon for the fiscal years ended June 30th, 1892 to 1900, inclusive, have been changed accordingly.

X.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	178
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111
1899	1,465,917	5,475,881	1,121,766	6,597,647	4.29	163	110
1900	1,462,097	5,654,169	1,035,560	6,689,729	4.33	167	129
1901	1,596,924	6,501,485	1,464,417	7,965,902	4.72	175	108

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Income and Financial Exhibits.

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XI.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO. — YEAR ENDED JUNE 30TH, 1901.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 511,051 38		Freight	$3,301,452 85	
Maintenance of equipment	353,800 41		Passenger	720,849 95	
Conducting transportation	1,363,507 49		Mail	95,662 07	
General expenses	266,365 02	$2,494,724 30	Express	60,890 35	
Net earnings		1,702,234 08	Telegraph	3,628 38	
		$4,196,958 38	Miscellaneous	14,474 78	$4,196,958 38
					$4,196,958 38
To Accrued interest on first mortgage bonds			By Net earnings brought down		$1,702,234 08
Taxes accrued		$ 800,000 00	Interest on bonds owned—		
Equipment payments		89,616 14	St. L. S. W. Ry. Co. of Texas, first mortgage, $9,445,000.00 @ 4%		377,800 00
Rental of leased lines—Gray's Point Terminal Ry		136,717 42	Tyler Southeastern Ry. Co., first mortgage, $660,000.00 @ 4%		26,400 00
Sundry amounts		16,950 00	Other bonds owned—(see exhibit G, page 21)		7,510 00
		23,927 52	Trackage rentals		3,960 00
Surplus income for fiscal year ended June 30th, 1901, carried to credit of profit and loss account		1,108,516 98	All other receipts		57,823 98
Total		$2,175,728 06	Total		$2,175,728 06

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1901.

To interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1900	$3,695,745 78
Calendar, year ended December 31st, 1900, full interest (4%), paid	$ 380,000 00	Surplus income from operation for fiscal year ended June 30th, 1901, brought down	1,108,516 98
Six months ended June 30th, 1901, full interest (4%), due January 1st, 1902	200,000 00	Proceeds sale of second mortgage income bond certificates: 1,000 certificates, par value $1,000,000.00 sold for	770,000 00
Amount appropriated by Board of Directors for general improvements and transferred to credit of "General Improvement Fund"	1,490,000 00		
Balance to credit of profit and loss account, June 30th, 1901	3,504,262 76		
Total	$5,574,262 76	Total	$5,574,262,76

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XII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1901.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$48,592,500 00	+$1,000,000 00
Gray's Point Terminal Ry. leasehold		339,000 00	—
Construction accounts		65,772 81	+ 45,050 00
Real estate		27,327 95	—
Bonds and stocks owned—			
Deposited with Trustees in part security for issues of 1st and 2d mortgage bonds of the St. L. S-W. Ry. Co.:			
Capital stock, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	$ 2,750,000 00	—	—
1st mortgage bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	10,105,000 00	—	—
2d mortgage income bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	5,052,500 00	—	—
Held in Company's Treasury: (see exhibit N, page 23)	366,539 21	—	+ 3,500 00
		18,274,039 21	—
Other permanent investments		4,624 93	+ 4,624 93
Current assets—			
Cash	$1,829,703 34	—	+ 1,291,848 74
Sundry accounts collectible	571,482 17	—	+ 357,580 30
Advances to sundry agents to be accounted for	20,194 63	—	+ 2,472 03
Prepaid insurance	4,987 64	—	+ 106 84
	$2,426,367 78	—	—
Supplies on hand	343,629 98	—	+ 76,805 12
		2,769,997 76	—
Trust equipment—unpaid balance		758,248 27	+ 364,883 49
St. Louis Southwestern Ry. Co. of Texas, general account		2,778,246 60	- 325,566 81
Total		$73,609,757 53	+$2,821,304 64

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt—			
* 1st mortgage bonds (4%)	$20,000,000 00	—	—
† 2d mortgage income bonds (4%, if earned)	10,000,000 00	—	+$1,000,000 00
		30,000,000 00	—
Gray's Point Terminal Ry. Co., 1st mortgage bonds, guaranteed (5%)		339,000 00	—
Equipment trust obligations		878,779 27	+ 361,099 49
Current liabilities—			
Interest on bonds—due and accrued	$ 587,726 76	—	+ 190,045 23
Sundry accounts payable	439,416 79	—	+ 191,416 17
Reserve funds	1,360,571 95	—	+ 1,270,226 77
		2,387,715 50	—
Balance to credit of profit and loss account, June 30th, 1901, as per detailed exhibit on preceding page		3,504,262 76	- 191,483 02
Total		$73,609,757 53	+$2,821,304 64

* Secured by first mortgage lien on St. L. S-W. Ry., $9,895,000, first mortgage bond of St. L. S-W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S-E. Ry. Co., $660,000.

† Secured by second mortgage lien on St. L. S-W. Ry., $4,947,500, second mortgage income bond of St. L. S-W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S-E. Ry. Co., $330,000.

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XI.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO. — YEAR ENDED JUNE 30TH, 1901.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 511,051 38		Freight	$3,301,452 85	
Maintenance of equipment	353,800 41		Passenger	720,849 95	
Conducting transportation	1,363,507 49		Mail	95,662 07	
General expenses	266,365 02	$2,494,724 30	Express	60,890 35	
Net earnings		1,702,234 08	Telegraph	3,628 38	
		$4,196,958 38	Miscellaneous	14,474 78	$4,196,958 38
					$4,196,958 38
To Accrued interest on first mortgage bonds			By Net earnings brought down		$1,702,234 08
Taxes accrued		$ 800,000 00	Interest on bonds owned—		
Equipment payments		89,616 14	St. L. S. W. Ry. Co. of Texas, first mortgage, $9,445,000.00 @ 4%		377,800 00
Rental of leased lines—Gray's Point Terminal Ry		136,717 42	Tyler Southeastern Ry. Co., first mortgage, $660,000.00 @ 4%		26,400 00
Sundry amounts		16,950 00	Other bonds owned—(see exhibit G, page 21)		7,510 00
		23,927 52	Trackage rentals		3,960 00
Surplus income for fiscal year ended June 30th, 1901, carried to credit of profit and loss account		1,108,516 98	All other receipts		57,823 98
Total		$2,175,728 06	Total		$2,175,728 06

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1901.

To interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1900	$3,695,745 78
Calendar year ended December 31st, 1900, full interest (4%), paid	$ 380,000 00	Surplus income from operation for fiscal year ended June 30th, 1901, brought down	1,108,516 98
Six months ended June 30th, 1901, full interest (4%), due January 1st, 1902	200,000 00	Proceeds sale of second mortgage income bond certificates: 1,000 certificates, par value $1,000,000.00 sold for	770,000 00
Amount appropriated by Board of Directors for general improvements and transferred to credit of "General Improvement Fund"	1,490,000 00		
Balance to credit of profit and loss account, June 30th, 1901	3,504,262 76		
Total	$5,574,262 76	Total	$5,574,262,76

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XII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1901.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$48,592,500 00	+$1,000,000 00
Gray's Point Terminal Ry. leasehold		339,000 00	—
Construction accounts		65,772 81	+ 45,050 00
Real estate		27,327 95	—
Bonds and stocks owned—			
Deposited with Trustees in part security for issues of 1st and 2d mortgage bonds of the St. L. S-W. Ry. Co.:			
Capital stock, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	$ 2,750,000 00	—	—
1st mortgage bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	10,105,000 00	—	—
2d mortgage income bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	5,052,500 00	—	—
Held in Company's Treasury: (see exhibit N, page 23)	366,539 21	—	+ 3,500 00
		18,274,039 21	—
Other permanent investments		4,624 93	+ 4,624 93
Current assets—			
Cash	$1,829,703 34	—	+ 1,291,848 74
Sundry accounts collectible	571,482 17	—	+ 357,580 30
Advances to sundry agents to be accounted for	20,194 63	—	+ 2,472 03
Prepaid insurance	4,987 64	—	+ 106 84
	$2,426,367 78	—	—
Supplies on hand	343,629 98	—	+ 76,805 12
		2,769,997 76	—
Trust equipment—unpaid balance		758,248 27	+ 364,883 49
St. Louis Southwestern Ry. Co. of Texas, general account		2,778,246 60	- 325,566 81
Total		$73,609,757 53	+$2,821,304 64

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt—			
* 1st mortgage bonds (4%)	$20,000,000 00	—	—
† 2d mortgage income bonds (4%, if earned)	10,000,000 00	—	+$1,000,000 00
		30,000,000 00	—
Gray's Point Terminal Ry. Co., 1st mortgage bonds, guaranteed (5%)		339,000 00	—
Equipment trust obligations		878,779 27	+ 361,099 49
Current liabilities—			
Interest on bonds—due and accrued	$ 587,726 76	—	+ 190,045 23
Sundry accounts payable	439,416 79	—	+ 191,416 17
Reserve funds	1,360,571 95	—	+ 1,270,226 77
		2,387,715 50	—
Balance to credit of profit and loss account, June 30th, 1901, as per detailed exhibit on preceding page		3,504,282 76	- 191,483 02
Total		$73,609,757 53	+$2,821,304 64

* Secured by first mortgage lien on St. L. S-W. Ry., $9,895,000, first mortgage bond of St. L. S-W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S-E. Ry. Co., $660,000.

† Secured by second mortgage lien on St. L. S-W. Ry., $4,947,500, second mortgage income bond of St. L. S-W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S-E. Ry. Co., $330,000.

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1901.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 569,268 81		Freight	$2,351,419 66	
Maintenance of equipment	318,338 75		Passenger	679,862 75	
Conducting transportation	1,135,636 05		Mail	80,122 47	
General expenses	114,924 15	$2,138,167 76	Express	40,542 96	
Net earnings		1,052,048 26	Telegraph	2,888 69	
			Miscellaneous	35,379 49	$3,190,216 02
		$3,190,216 02			$3,190,216 02
To Accrued interest on first mortgage bonds		$ 404,200 00	By Net earnings brought down		$1,052,048 26
Taxes accrued		66,155 06	All other receipts		12,901 29
Equipment payments		122,107 79			
Sundry amounts		26,029 58			
Surplus income for fiscal year ended June 30th, 1901, carried to credit of profit and loss account		446,457 12			
Total		$1,064,949 55	Total		$1,064,949 55

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1901.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1900	$3,031,056 84	By Surplus income from operation for fiscal year ended June 30th, 1901, brought down	$446,457 12
Sundry amounts	1,070 05	*Balance to debit of profit and loss account, June 30th, 1901*	2,585,669 77
Total	$3,032,126 89	Total	$3,032,126 89

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XIV.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. JUNE 30TH, 1901.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$17,907,500 00	—
Construction accounts		2,432 73	+$ 2,432 73
Current assets—			
Cash	$ 99,488 56	—	+ 16,515 52
Sundry accounts collectible	22,446 63	—	- 43,595 73
Advances to sundry agents (to be accounted for)	11,435 84	—	+ 2,521 52
Prepaid insurance	4,682 33	—	+ 254 76
	$138,053 36	—	—
Supplies on hand	283,438 34	—	+ 158,717 89
		421,491 70	—
Trust equipment—unpaid balance		45,756 40	- 21,395 60
Balance to debit of profit and loss account, June 30th, 1901, as per detailed exhibit on preceding page		2,585,669 77	- 445,387 07
Total		$20,962,850 60	-$329,935 98

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock—			
*Common		$ 2,750,000 00	—
Funded debt—			
*1st mortgage bonds (4%)	$10,105,000 00	—	—
*2nd mortgage income bonds (4%, if earned)	5,052,500 00	—	—
		15,157,500 00	—
Equipment trust obligations		45,756 40	- $21,395 60
Current liabilities—			
Sundry accounts payable	$ 225,687 14	—	+ 12,746 68
Hospital fund	5,660 46	—	+ 4,279 75
		231,347 60	—
St. Louis Southwestern Ry. Co., general account		2,778,246 60	- 325,566 81
Total		$20,962,850 60	-$329,935 98

* Includes T. S-E. Ry.'s Capital liabilities assumed, viz.: Capital stock, $250,000.00; Bonds, first morgtage, $660,000.00, second mortgage, $330,000.00.

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XV.

HOSPITAL SERVICE—ENTIRE SYSTEM.

C. A. SMITH, M. D., CHIEF SURGEON.
TYLER, TEXAS.

SERVICE PERFORMED.	Year ended June 30, 1901.	Year ended June 30, 1900.	Increase.	Decrease.
Patients in hospital at the beginning of year	42	59	—	17
Patients admitted during the year	1,546	1,627	—	81
Total	1,588	1,686	—	98
Number discharged	1,502	1,630	—	128
Number of deaths	11	14	—	3
Patients remaining in hospital at the close of year .	75	42	33	—
Total	1,588	1,686	—	98
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler .	8,400	10,372	—	1,972
Total number of employes receiving hospital benefits	9,988	12,058	—	2,070
Per cent. of deaths to number of cases treated in hospital	0.7	0.8	—	0.1
FINANCIAL STATEMENT.				
Balance at beginning of fiscal year	$ 1,380 71	$ 2,993 49	—	$1,612 78
Receipts from assessments .	27,676 30	23,991 29	$ 3,685 01	—
Total	$29,057 01	$26,984 78	$ 2,072 23	—
Disbursements	23,396 55	25,604 07	—	$2,207 52
Balance at close of fiscal year	$ 5,660 46	$ 1,380 71	$ 4,279 75	—

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Post Oct 2. 1900

GOULD PROXIES ATTACKED.

Suit of English Holders of St. Louis Southwestern Shares.

Argument on an order to show cause why an injunction should not issue restraining Edwin Gould, the President, and the other directors of the St. Louis Southwestern Railway Company, from conducting the annual election of directors at St. Louis to-day, was postponed by agreement of counsel, and was set down by Justice Lawrence, in Part I. of the Supreme Court for Thursday of this week.

The injunction is sought by Andrew Hoes of London ,and other stockholders, who allege that although the estate of Jay Gould owns only some 70,000 out of the 365,000 shares of the company's stock, it has been controlling the elections of directors by improper use of proxies, so that the minority stockholders did not secure their lawful representation in the board. The State Constitution of Missouri, under which the company is organized, provides for cumulative voting, in order that the rights of the minority shareholders may be protected, and it is alleged that Mr. Gould had the by-laws amended so as to change this system. It was urged that similar unfair action was planned for the meeting to-day.

Times Oct. 3. 1900.

GOULDS WIN RAILWAY FIGHT.

Elect Their Men in St. Louis Southwestern Annual Meeting.

ST. LOUIS, Oct. 2.—The annual meeting of the stockholders of the St. Louis, Southwestern or Cotton Belt Route was held to-day at headquarters in the Equitable Building. President Edwin Gould called it to order, the principal business being the election of three Directors. A fight was expected on the part of minority stockholders who protested against a new by-law passed at the meeting last year.

They claimed that no specific notice had been given in advance of that meeting of the intention to vote on a change in the by-laws, and that, therefore, the action taken was contrary to Missouri laws, under which the company is incorporated. The new by-laws calls for an election of only three Directors in each year, instead of electing the entire board of nine. This the minority forces claim destroys the cumulative feature of voting, which is recognized by the laws of Missouri.

Both parties held large bundles of proxies and the entire morning session was consumed in examining them. They were carefully scrutinized by the officials and attorneys of both interests. The following shares of stock were then declared to be represented at the meeting: In person, 13,776½ shares; by proxies, 324,775½ shares; total 338,552 shares, out of 365,000 shares outstanding.

Tellers were appointed, and at the afternoon meeting declared the following to be the new Board of Directors for the ensuing year: Edwin Gould, New York; F. H. Britton, St. Louis; Winslow S. Pierce, New York; William H. Taylor, New York; R. M. Gallaway, New York; Thomas T. Eckert, New York; Albert Loeb, New York; Murray Carlton, St. Louis, and A. L. Wolff, St. Louis.

This means that the Gould interests succeeded in electing their men, as the board is exactly the same as last year.

Post. Oct. 16. 1900.

LOUIS SOUTHWESTERN CONTEST.

Possibility of Further Action by Minority Stockholders.

Interest in the contest of minority stockholders of the St. Louis Southwestern against the present Gould management of the St. Louis Southwestern has been revived by the publication of a notice by a firm of brokers asking stockholders to deposit their shares with the firm, in view of action contemplated to protect the interests of minority shareholders. This action was regarded as all the more significant in view of the fact that a member of the firm is a director of the company.

It was developed to-day that the reëlection of the present Gould directors, at the recent annual meeting at St. Louis, was not accomplished without concessions by the management. The most important success of the minority shareholders was in the rescinding of the by-law at the 1899 annual meeting providing for the election of only three directors annually, instead of the full board. This, it was claimed, was to prevent minority shareholders taking advantage of the Missouri laws allowing cumulative voting of stock.

The full board of nine directors was elected at St. Louis last month. It is claimed that the interests opposing the Gould management elected Albert Loeb and L. M. Josephthal of New York, but that the latter was disqualified by the inspectors of election on the ground that a certain number of directors were by law to be residents of Missouri. The legality of this action is questioned, and it was asserted to-day that the eligibility of President Edwin Gould to hold office as a director will be tested, on the ground that he is interested in companies having close business relations with the St. Louis Southwestern.

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Post Oct. 25. 1900.

ST. LOUIS SOUTHWESTERN.

Promise of Through Business from New Chicago Connection — Net Earnings Doubled in Three Years—Progress in Reducing Transportation Cost.

In the past year the St. Louis Southwestern, by the extension of the Chicago and Eastern Illinois to the Mississippi River, and the conclusion of a traffic agreement between the two companies, has become part of a through line between Chicago and Texas points. Heretofore, the St. Louis Southwestern has had a Chicago connection through the Illinois Central, by ferry across the Mississippi, this being also the means by which connection is made with the Chicago and Eastern Illinois. Development of through business, however, has hitherto been prevented because the two companies had conflicting interests. The St. Louis Southwestern is interested in building up Texas and points west of the Mississippi River, while the Illinois Central has its own through line on the east side of the Mississippi River to New Orleans. Such Chicago business as that company might obtain from the St. Louis Southwestern has not been profitable enough to induce it to divert southbound tonnage, on which it now secures a long haul, to the St. Louis Southwestern. Thus, while interchange of business heretofore has been small, the new connection, formed through the extension of the Chicago and Eastern Illinois, whose line ends at the Mississippi River, introduces new conditions which promise to develop an important new tonnage.

This new connection was only placed in operation for freight service late in February last, and passenger service did not begin until May 15. The revenue and traffic statements, in the fiscal year ending on June 30 last, for which the annual report is now at hand, were therefore not materially affected by any new business produced by the completion of the connection. The opening of the through line, however, is the most significant development of the year, in its bearings on the company's future. Instead of having its future entirely bound up with the commercial interests of the Southwest, the company has extended its relations into the Chicago territory, which it is prepared to supply with lumber and other bulk products of the Southwest, hauling back coal, machinery, and general merchandise. It happens that both companies now haul an excessive mileage of empty cars in the direction in which the new traffic on each line will move. Thus the empty car mileage on the Chicago and Eastern Illinois is about 30 per cent. of the total, and is mostly southbound from Chicago. The St. Louis Southwestern has reduced its proportion of empty-car mileage from over 28 per cent. of the total in 1897 and 1898, to 23¾ per cent. in 1900, and with its new connection in complete operation, this percentage can undoubtedly be further reduced, the new through traffic affording loads for both north and southbound cars.

Existing business, however, has been increasingly profitable. Since 1897 gross earnings have increased $1,165,000, or about 30 per cent., while net has nearly doubled, increasing from $887,700 to $1,752,200 in 1900. Net income over fixed charges was $630,293 last year, which compares with a deficit of $63,200 in 1897, and the company paid, for the first time, the full 4 per cent. on the second mortgage income bonds. Increasing prosperity, it may be noted, has been conservatively utilized. All betterments have been charged against earnings. Last year, for instance, betterment work is reported as costing $286,000, or $103,000 more than in 1899, although the total operating expenses for 1900 show a decrease of $53,000. The company's policy is more strikingly told in changes made in the balance sheet and profit-and-loss accounts. The sum of $932,093, charged to cost of road since the company's organization in 1891, up to June 30, 1899, for equipment purchased, but paid for out of income, as the company has had no available capital to dispose of, was charged during the year against profit-and-loss balance, together with $25,137 for real estate, heretofore also charged against capital. Thus the company reports a credit to profit and loss on June 30 last of only $664,689, against $1,352,517 a year ago, despite the addition of $270,293 from the 1900 surplus. In addition, $447,854, representing unpaid equipment trust notes, heretofore carried in capital account, have been segregated, and are now entered on the balance sheet as a separate item. Cont.

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DOW, JONES & CO.
NEWS BULLETINS. THE WALL STREET JOURNAL.
ELECTRIC PAGE NEWS TICKER SERVICE.
42-44 BROAD STREET NEW YORK. Telephone No. 1845 BROAD.
Friday, May 10, 1901. 00 No. 46

ST. LOUIS SOUTHWESTERN.

A director of St. Louis Southwestern says: "It was expected that some attention would be given to the question of a dividend on the preferred stock by the directors of St. Louis Southwestern, Thursday, but owing to the condition of affairs in the financial district members of the board were anxious to make the meeting as brief as possible in order to get back to their offices and the declaration of the second mortgage income interest of 2% was the only business transacted. It is expected, however, that a meeting of the board will be called in the near future at which action on the dividend will probably be taken. It is expected that this dividend will be at the rate of 2% semi-annual at present, but it is probable that this rate will be increased later on to the full 5% per annum.

The earnings of the property are regarded by the management as very gratifying. For the first eight months of this fiscal year net earnings were $2,405,908. This is after deducting expenditures for improvements. The increase amounts to $926,188. It is expected that the last three months of the fiscal year will show net earnings of at least $600,000, making a total of $3,000,000, to which will be added miscellaneous income of about $100,000, making total net earnings $3,100,000. The charges against this income for the fiscal year are: Interest on the first mortgage bonds, $800,000; interest on second mortgage bonds $380,000; equipment payments, $225,000; rentals, $16,500; taxes, $160,000, or a total of $1,581,500, leaving a surplus of $1,518,500, which is equal to 5% on the preferred stock, and about 3½% on the common stock.

The physical condition of the property is being rapidly improved and the finances are on a sound basis. As a part of the greater Missouri Pacific system St. Louis Southwestern would possess elements of great possibilities."

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This conservative revision of capital accounts has been coincident with exceptional progress in the operating department. The fact that working charges are held at about the same figures as in previous years is due chiefly to the falling cost of transportation per unit of service. Since 1897, for instance, tons moved one mile have increased nearly 87 millions, or 27 per cent., but there has been an actual saving of 54,000 freight train miles, despite a decrease in the average train hauled, representing growth of local traffic, which tends to increase the number of train miles for a given traffic. Substantial progress is shown in all statistics of operation. While loaded car miles have been increased over three millions in three years, empty car miles have decreased 1 1-3 millions, and the percentage to the total car mileage has fallen from 28 1-5 per cent. to 23¾ per cent. Miles run by home cars have increased 3½ millions, yet mileage of foreign cars on the line has decreased 1½ millions, and St. Louis Southwestern cars ran last year 6 1-3 million miles more on foreign roads than in 1897. Average number of loaded cars per train has increased by two, and the number of empties per train is of course less, while the load per loaded car is greater, and the average train load is 48 tons or 30 per cent. higher, at 208 tons. With ton-mile revenue at practically the same figures as in 1897, there has naturally been a substantial increase in freight-train mile revenue, and this is $2.34, against $1.82 three years ago, a gain of 30 per cent.

These operating statistics contrast interestingly with those of another Southwestern road, of about the same extent, the St. Louis and San Francisco. The comparison is to the advantage of the St. Louis Southwestern, partly apparently because of a different character of freight carried and partly because of better location and lower grades. At all events, the St. Louis Southwestern is the more economically operated road, and its freight service yields better profits, apart from the slightly higher ton-mile revenue. St. Louis and San Francisco has the denser traffic, carrying 372,400 ton-miles per mile of road, against 327,800 on the St. Louis Southwestern, but with a traffic movement only 26 per cent. larger, it has to operate 70 per cent. more train-miles. Thus its train-load is only 155 tons, against 208 tons on the neighboring road. It follows that freight-train-mile revenue on the St. Louis and San Francisco is relatively small—$1.64, against $2.34 on the St. Louis and San Francisco.

Times Dec 23. 1900

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY

First Mortgage 4% Gold Bonds,

DUE 1989.

Interest payable May 1st and November 1st.

These Bonds constitute an absolute first lien of $20,000,000 (which cannot be increased) on a system of over 1,200 miles of railway, which has, in the year ending June 30th last, earned over twice the amount necessary to pay the interest on these bonds, after providing liberally for taxes and betterments. With capable management, the property can easily be made to earn three and possibly four times such amount.

The smallness of the above-mentioned mortgage, when compared to the value of the property which it covers, together with its remote maturity and unassailable legal position, gives these bonds a value far in excess of their present quotation, 91 and interest, at which price they yield nearly 4½% on the investment.

We are prepared to deal in this issue, as well as in many others of high grade, at prevailing market prices.

ALBERT LOEB & CO.,

42 NEW STREET, NEW YORK CITY.

Times Dec 22 1900

TO THE HOLDERS OF

St. Louis Southwestern Railway Company

Second Mtge. Income Bond Certificates.

Notice is hereby given that on and after January 2d, 1901, interest will be paid on the above certificates at the rate of $20.00 on each $1,000 certificate upon presentation and surrender of the coupons maturing January 1st, 1901, at the office of the undersigned, at 120 Broadway, New York City.

THE MERCANTILE TRUST COMPANY.

By H. C. DEMING, Vice President.

Times June 21. 1901.

TO THE HOLDERS OF

St. Louis Southwestern R'way Company's

Second Mtge. Income Bond Certificates.

Notice is hereby given that on and after July 1st, 1901, interest will be paid on the above certificates of $20.00 on each $1,000 certificate upon presentation and surrender of the coupons maturing July 1st, 1901, at the office of the undersigned, at No. 120 Broadway, New York City.

THE MERCANTILE TRUST COMPANY.

By HENRY C. DEMING, Vice President.

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10/13/01
PROPERTY OF
HARVEY FISK & SONS,
STATISTICAL DEPARTMENT
NOT TO BE LOANED OUTSIDE OF OFFICE

1902.

ELEVENTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

FISCAL YEAR ENDED

JUNE 30, 1902.

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"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY CO.

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

ELEVENTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30TH, 1902.

ST. LOUIS:
SAM'L F. MYERSON PRINTING CO., THIRD AND CHESTNUT STREETS.
1902.

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ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

DIRECTORS.

EDWIN GOULD . . . . . NEW YORK, N. Y.

F. H. BRITTON	ST. LOUIS, MO.	WM. H. TAYLOR . . .	NEW YORK, N. Y.
R. M. GALLAWAY . .	NEW YORK, N. Y.	ALBERT LOEB	NEW YORK, N. Y.
THOS. T. ECKERT . .	NEW YORK, N. Y.	MURRAY CARLETON .	ST. LOUIS, MO.
WINSLOW S. PIERCE .	NEW YORK, N. Y.	CHARLES PARSONS .	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

OFFICERS.

EDWIN GOULD	*President*	NEW YORK, N. Y.
F. H. BRITTON	*Vice-President and Gen'l Manager*	ST. LOUIS, MO.
WILLIAM A. HAMILTON .	*Vice-President*	NEW YORK, N. Y.
WINSLOW S. PIERCE . . .	*General Counsel*	NEW YORK, N. Y.
LAWRENCE GREER	*Ass't General Counsel*	NEW YORK, N. Y.
S. H. WEST	*General Attorney*	ST. LOUIS, MO.
S. C. JOHNSON	*General Auditor*	ST. LOUIS, MO.
GEORGE ERBELDING . .	*Secretary*	NEW YORK, N. Y.
G. K. WARNER	*Treasurer and Ass't Secretary*	ST. LOUIS, MO.
H. L. UTTER	*Assistant Secretary*	NEW YORK, N. Y.
H. E. FARRELL	*Freight Traffic Manager*	ST. LOUIS, MO.
J. P. PARK	*Ass't General Freight Agent*	ST. LOUIS, MO.
E. W. LABEAUME	*General Passenger and Ticket Agent* . . .	ST. LOUIS, MO.
W. E. GREEN	*General Superintendent*	TYLER, TEX.
A. B. LIGGETT	*Sup't Transportation*	TYLER, TEX.
E. A. PECK	*Superintendent*	PINE BLUFF, ARK.
M. L. LYNCH	*Chief Engineer*	TYLER, TEX.
J. S. BERRY	*Sup't Water Service, Bridges and B'ld'gs* .	TYLER, TEX.
T. E. ADAMS	*General Master Mechanic*	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS.

DIRECTORS.

F. H. BRITTON . . . . . St. Louis, Mo.

WINSLOW S. PIERCE . .	New York, N. Y.	M. A. COOPER	Waco, Tex.
WM. H. TAYLOR	New York, N. Y.	TOM RANDOLPH	Sherman, Tex.
H. E. FARRELL	St. Louis, Mo.	JAMES GARITTY	Corsicana, Tex.
W. E. GREEN	Tyler, Tex.	W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler Tex., on the Monday preceding the first Wednesday in May.

OFFICERS.

F. H. BRITTON	*President*	St. Louis, Mo.
W. E. GREEN	*1st Vice-President and General Sup't* . .	Tyler, Tex.
H. E. FARRELL	*2d Vice-President*	St. Louis, Mo.
E. B. PERKINS	*General Attorney*	Dallas, Tex.
R. D. COBB	*Secretary and Auditor*	Tyler, Tex
J. W. HOGAN	*Treasurer and Paymaster*	Tyler, Tex.
J. F. LEHANE	*General Freight Agent*	Tyler, Tex.
R. C. FYFE	*Ass't General Freight Agent*	Tyler, Tex.
W. H. WEEKS	*General Passenger and Ticket Agent* . . .	Tyler, Tex.
A. B. LIGGETT	*Sup't Transportation*	Tyler, Tex.
W. N. NEFF	*Superintendent*	Mt. Pleasant, Tex.
M. L. LYNCH	*Chief Engineer*	Tyler, Tex.
J. S. BERRY	*Sup't Water Service, Bridges and B'ld'gs* .	Tyler, Tex.
W. J. MILLER	*Master Mechanic*	Tyler, Tex.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

NEW YORK, September 15, 1902.

To the Stockholders of the
St. Louis Southwestern Railway Company:

The Eleventh Annual Report of the business of your company and its allied interests for the fiscal year ended June 30th, 1902, is herewith submitted.

Especial attention is invited to the accompanying report of the Vice-President and General Manager embracing financial exhibits, details of earnings and expenses and other results from operation.

During the current fiscal year the policy of permanent improvement of the roadway and track has been continued to a greater extent than ever before, and the equipment and facilities for handling your company's traffic have been largely increased. These improvements and the additional improvements contemplated will have the ultimate effect of decreasing the cost of transportation and the beneficial results will be more fully reflected in reports of subsequent years.

CAPITAL STOCK.

At a special meeting of the Stockholders, held in St. Louis, May 24th, 1902, and called for the purpose, the common capital stock was increased by the amount of $18,500 000.00, such increase consisting of 185,000 shares of the par value of $100.00 each. No portion of this authorized increase has been issued.

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Funded Debt.

The total authorized amount of your company's first mortgage certificates ($20,000,000) have been issued and are outstanding. The second mortgage income certificates of your company have also been issued in the full amount authorized by the indenture securing the same ($10,000,000) but $6,727,500, par value, of these certificates (being more than two-thirds of the entire issue) have been exchanged at the rate of 90 per cent. of their par value for the new first consolidated mortgage four per cent. gold bonds of your company and are held by the Bowling Green Trust Company, the Trustee of the first consolidated mortgage, as part of the security thereunder. The authorized issue of the first consolidated mortgage bonds is limited to $25,000,000, of which amount $9,000,000 are reserved for the purpose of effecting the exchange of the second mortgage income certificates, the remaining bonds being issuable for the funding of outstanding car trust obligations (which fall due at various dates from June 11th, 1902, to February 15th, 1908, and which now constitute a fixed charge), for the betterment and improvement of the property of the system and for the construction and acquisition of additional property and mileage.

The first consolidated mortgage bonds are a fixed charge upon the entire property of the company, and at the close of the fiscal year had been issued in the amount of $12,054,750—which amount has not since been increased—for the following purposes:

$6,054,750 in exchange at the rate of 90 per cent. for $6,727,500 of second mortgage income certificates.

$6,000,000 to provide for the funding of equipment trust obligations which draw 5 per cent. interest, and for expenditures already authorized for future equipment, and for other lawful corporate purposes of the company.

The proceeds derived from the sale of such $6,000,000, par value, of the new bonds, have, since the close of the fiscal year, been partially applied in the acquisition of the following de-

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scribed equipment trust obligations of the company, being more than 97 per cent. of such obligations outstanding:

Series.	In Whose Favor.	Amount.
A 37.	Post, Martin & Co.	$25,204 20
X 1.	St. Charles Car Co.	17,312 82
X 2.	" "	29,734 38
X 3.	" " (4 notes)	2,164 84
R 1.	Richmond Loco. and Mach. Wks	18,085 79
M 1.	Missouri Car and Foundry Co.	45,759 68
B 1.	Madison Ry. Equipment Co.	63,480 00
C 1.	American Car and Foundry Co. (13 notes)	14,537 12
C 2.	" " "	204,579 55
C 3.	" " "	54,370 39
C 4.	" " "	729,012 93
C 5.	" " "	89,568 90
D 1.	Rogers Locomotive Co.	59,402 28
D 2.	" "	65,126 35
D 3.	Rogers Locomotive Wks.	148,508 01
E 1.	Pitts. Loco. and Car Wks.	37,265 84
F 1.	American Locomotive Co	97,547 19
	TOTAL	$1,701,660 27

In view of the drought that extended throughout the entire southwest, in the section of country tributary to your lines, during the past season, and which adversely affected the earnings of your company (especially the earnings from the cotton crop), it is gratifying to report that the outlook for an average cotton crop, and for good business generally during the ensuing season is quite promising.

The thanks of your company are due to its officers and employes for the faithful performance of their duties during the past year.

For the Directors,

EDWIN GOULD,

President.

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"COTTON BELT ROUTE"

St. Louis Southwestern Railway Co.

OFFICE OF THE VICE-PRESIDENT AND GENERAL MANAGER.

ST. LOUIS, MO., September 2d, 1902.

MR. EDWIN GOULD, *President:*

DEAR SIR—I present herewith report of the operation of the company, for the fiscal year ended June 30th, 1902, showing the condition of its finances and property at the close of that year.

There has been no change in the number of miles of main track operated during the current fiscal year, the average number of miles operated being 1,293. The detail of miles operated June 30th, 1902, is given in the appendix to this report, table no. 1.

Following this will be found a statement showing the gross earnings from traffic, receipts from all other sources, operating expenses and fixed and other charges against income, for the fiscal year ended June 30th, 1902, compared with the preceding fiscal year, together with the status of profit and loss account as of June 30th, 1902.

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Financial Results from Operation—Entire System.

INCOME ACCOUNT FOR FISCAL YEAR.

Item.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Decrease.
Average number of miles operated	1,293.0	1,275.5	17.5	—
Gross earnings	$7,267,259 73	$7,387,174 40	—	$ 119,914 67
Operating expenses	*5,173,066 73	*4,632,892 06	$ 540,174 67	—
Net earnings	$2,094,193 00	$2,754,282 34	—	$ 660,089 34
All other receipts	89,018 69	82,195 27	$ 6,823 42	—
Total income	$2,183,211 69	$2,836,477 61	—	$ 653,265 92
Charges against income—				
Accrued interest on first mortgage bonds (4%)	$ 800,000 00	$ 800,000 00	—	—
Accrued interest on first consolidated mortgage bonds (4%)	14,847 91	—	$ 14,847 91	—
Taxes accrued	195,618 90	155,771 20	39,847 70	—
Equipment payments	385,412 90	258,825 21	126,587 69	—
Rental of leased lines (Gray's Point Terminal R'y)	16,950 00	16,950 00	—	—
Sundry amounts	42,192 80	49,957 10	—	$ 7,764 30
Total	$1,455,022 51	$1,281,503 51	$ 173,519 00	—
Surplus	$ 728,189 18	$1,554,974 10	—	$ 826,784 92

NET INCOME (PROFIT AND LOSS) ACCOUNT, JUNE 30, 1902.

Cr.		
By Balance from last fiscal year	$ 918,592 99	
Surplus income current fiscal year, brought down	728,189 18	
Interest received on second mortgage income bond certificates surrendered in exchange for first consolidated mortgage bonds	11,234 92	$1,658,017 09
Dr.		
To Interest earned on second mortgage income bonds: Six months ended December 31st, 1901, full interest (4%)—payable July 1st, 1902	$ 200,000 00	200,000 00
Credit balance June 30, 1902		$1,458,017 09

*For statement of betterments included in operating expenses, see exhibit A, page 21.

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A further comparison of the general operating results for the year ended June 30th, 1902, with those of the preceding fiscal year will be found in the following table:

Per cent. of operating expenses (including betterments charged direct to expenses), to gross earnings:

For the fiscal year ended June 30th, 1902 . . . . . 71.18%
For the fiscal year ended June 30th, 1901 . . . . . 62.72%

Per cent. of operating expenses (excluding betterments), to gross earnings:

For the fiscal year ended June 30th, 1902 . . . . . 69.13%
For the fiscal year ended June 30th, 1901 . . . . . 59.22%

Gross earnings	decrease	$ 119,914 67	or 1.62%
Operat'g expenses (including betterments)	increase	540,174 67	or 11.66%
Net earnings	decrease	660,089 34	or 23.97%
Betterments (included in oper'ng expenses)	decrease	109,025 47	or 42.21%
Operating expenses (exclud'g betterments)	increase	649,200 14	or 14.84%
Number of revenue tons carried	increase	187,216	or 7.80%
Number of revenue tons carried one mile .	increase	46,105,550	or 9.83%
Average load per loaded car (revenue tons)	increase	1.20	or 8.52%
Average load per loaded car (revenue and company tons)	increase	1.46	or 9.49%
Average load per train (revenue tons) . .	increase	22.09	or 10.52%
Average load per train (revenue and company tons)	increase	26.44	or 11.53%
Number of passengers carried	decrease	45,593	or 3.56%
Number of passengers carried one mile .	increase	89,665	or 1.55%
Revenue train mileage	increase	1,556	or .04%

Earnings.

The decrease in gross earnings is due largely to the drought during the past season throughout the country tributary to the line, which resulted in a largely diminished cotton crop. The transportation of cotton forms an important factor in the revenue of the line, directly and indirectly. Any decrease in the yield adversely affects the general business of the country and is marked by a falling off in other classes of traffic, both freight and passenger.

Notwithstanding the decrease in the cotton movement, a high class commodity, there was a substantial gain in ths total number of revenue tons carried, 7.80 per cent., whereas the total freight revenue decreased 1.72 per cent., which was due to the increased movement of lower class commodities, as evidenced by the decrease of 10.74 per cent. in the average revenue per ton per mile.

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Operating Expenses.

The increase of 11.66 per cent. in operating expenses is accounted for, principally, by the liberal expenditures for maintenance of way and structures and for maintenance of equipment, during the current fiscal year.

Under the general head of "Maintenance of Way and Structures" the increase is explained by extraordinary expenditures incident to the betterment of the roadway and track, including additional cross ties placed in track, renewals of rails and fastenings, and repairs and renewals of bridges, culverts, etc The cost of cross ties and labor changing (excepting those placed in new side tracks), the cost of the new rails and fastenings to the extent of the weight of the old rails and fastenings taken out, less the market value of the latter, together with the cost of labor taking out old rails, picking them up, loading and removing them, and the cost of labor unloading and putting the new rails into the track, as well as the labor expended in renewals of bridges and culverts, has all been charged to maintenance. Only such amounts as represent the cost of actual additions to the property have been charged against the "General Improvement Fund."

Cross ties placed in track during the year show an increase of 176,717, nearly all of which was made necessary by relaying rail in main track, as shown below.

Rail relaid—56-lb. steel rail replaced with 75-lb. steel rail, 151.2 miles, an increase of 117.9 miles over last year. 35-lb. steel rail replaced with 56-lb steel rail, 74.8 miles, an increase of 59.1 miles over last year.

Trestle renewals, etc.—Trestles filled and replaced with cast iron culvert pipe, where necessary, 4,359 linear ft., an increase of 1,515 linear ft. over last year. Trestles rebuilt, strengthened, and, in some instances, replaced with steel girders, 14,754 linear ft., an increase of 4,919 linear ft. over the preceding year.

The total expenditures for maintenance of way and structures for the fiscal year show an average cost of $1,050.22 per mile of main track operated, an increase of $203.24, or 24.00 per cent., over the preceding year.

Under the general head of "Maintenance of Equipment," liberal expenditures have been made for repairs and renewals of locomotives and freight and passenger cars, to place the equipment in first class condition to accommodate the increasing traffic. The increase under this heading is also accounted for, in a measure, by the increase in the number of locomotives and freight cars in service, as compared with the preceding year,

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as well as expenditures made repairing marine equipment, under which item there is an increase of $43,342.97, on account of giving the transfer boats "Chas. Merriam" and "Fordyce" (operating between Gray's Point, Mo., and Gale and Thebes, Ill.) a complete overhauling, as required by government inspection. These steamers are now in first class condition, and practically as good as new.

The increase in cost of "Conducting Transportation" is mainly caused by the increased cost of fuel and other supplies, to the maintenance of freight terminals at St. Louis during the entire fiscal year, as compared with only a portion of the preceding year, and to the settlement of a number of large personal injury claims.

Train and Car Loading.

As may be seen from an inspection of the foregoing table, the average load per loaded car and average load per train show substantial increases during the current fiscal year.

Betterments to Roadway and Track and New Safety Appliances for Equipment.

Following is a statement of amounts expended for betterments to roadway and track and for new safety appliances for equipment, showing how charged, during the current and preceding fiscal years:

	Year ended June 30, 1902.	Year ended June 30, 1901.
Included in Operating Expenses	$149,242 45	$258,267 92
Charged to General Improvement Fund	866,790 43	153,990 67
Total	$1,016,032 88	$412,258 59
Increase this year	603,774 29	—

For details of these expenditures, reference is made to tables on pages 21 and 32 of this report.

Payments for New Equipment.

Payments for new equipment during the current and preceding fiscal years are shown in the following comparative table:

	Year ended June 30, 1902.	Year ended June 30, 1901.
Charged against Income Account	$385,412 90	$258,825 21
Charged against Equipment Replacement Fund	64,678 52	162,005 44
Total	$450,091 42	$420,830 65
Increase this year	29,260 77	—

Reference is made to tables on pages 22 and 32, for details of these expenditures.

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Equipment Added and Retired During the Year.

The following additions were made to the company's equipment during the current fiscal year:

	Purchased.	Built and rebuilt at Co. shops.	Transferred from passenger class.	Transferred from fr'ght class.	Transferred from work class.	Total.
Locomotives	27	—	—	—	—	27
Passenger cars—						
Chair	6	—	—	—	—	6
Baggage and expr's	3	2	—	—	—	5
Freight cars—						
Box	1000	2	—	—	—	1002
Flat	—	—	—	—	2	2
Caboose	20	—	—	—	—	20
Work cars—						
Steam shovel	1	—	—	—	—	1
Lidgerwood unloader	2	—	—	—	—	2
Boarding	—	—	2	—	—	2
Dirt spreader	—	2	—	—	—	2
Wrecking	—	—	—	1	—	1

As against this, equipment was retired during the year, and the value thereof credited to "Equipment Replacement Fund," as follows:

	Destroyed, sold and condemned.	Transferred to work class	Transferred to freight class.	Total.
Locomotives	5	—	—	5
Passenger cars—				
Coach	2	—	—	2
Baggage and express	—	1	—	1
Freight cars—				
Box	83	—	—	83
Flat	30	1	—	31
Stock	7	—	—	7
Coal	15	—	—	15
Furniture	6	—	—	6
Refrigerator	1	—	—	1
Caboose	4	—	—	4
Work cars—				
Lidgerwood unloader (small)	1	—	—	1
Ballast	—	—	2	2

Additional Equipment Ordered During Year.

During the current fiscal year orders were placed for the following additional equipment, to be delivered early in the ensuing fiscal year:

Kind of Equipment.	Class		Number.	Date to be delivered.
Locomotives—	Mogul freight,	19x26	20	Aug., 1902, to Jan., 1903.
"	8-wheel pass'r,	18x26	6	Aug., 1902, to Jan., 1903.
"	6-wheel switch,	18x24	5	Aug., 1902, to Jan., 1903.
Passenger cars—Parlor buffet			1	August, 1902.
Box cars—60,000 pounds capacity			2060	July, Aug., Sep. & Oct., 1902.
Ballast cars—Standard			75	July and August, 1902.
Wrecking crane—60 tons capacity			1	September, 1902.

In the subjoined chapters, headed respectively "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way and Structures," "Maintenance of Equipment," etc., will be found a detailed analysis of the results from operation and the maintenance and improvement of the property.

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FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1902.
2. Statement of net income (profit and loss) account, June 30th, 1902.
3. Condensed balance sheet, June 30th, 1902.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year; also the company's financial condition at the close of the fiscal year ended June 30th, 1902, and finally a summary of financial transactions showing the year's resources and the manner in which they were applied, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Betterments (included in operating expenses)	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Equipment payments charged against income account	" D.
Rental of leased lines	" E.
Sundry amounts charged against income account	" F.
Interest on bonds owned	" G.
Trackage rentals	" H.
All other receipts credited income account	" I.
Cost of road and equipment	" J.
Gray's Point Terminal Railway leasehold	" K.
Bonds and stocks owned	" L.
Other permanent investments	" M.
Trust equipment—unpaid balance	" N.
Capital stock	" O.
Funded debt	" P.
Security for funded debt	" Q.
Equipment trust obligations	" R.
Current assets and current liabilities	" S.
Reserve funds	" T.
Summary of financial transactions	" U.

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Income Account—Entire System—Year Ended June 30th, 1902.

To Expenses (see exh. A, page 20)—			By Earnings (see exh. A, page 20)—		
Maintenance of way and structures	$1,357,932 37		Freight	$5,555,726 90	
Maintenance of equipment	819,588 39		Passenger	1,364,434 90	
Conducting transportation	2,636,721 20		Mail	176,777 07	
General expenses	358,824 77	$5,173,066 73	Express	95,533 37	
Net earnings		2,094,193 00	Telegraph	6,356 19	
		$7,267,259 73	Miscellaneous	68,431 30	$7,267,259 73
					$7,267,259 73
To Accrued interest on first mortgage bonds—(see exhibit B, page 21)		$ 800,000 00	By Net earnings brought down		$2,094,193 00
Accrued interest on first consolidated mortgage bonds—(see exhibit B, page 21)		14,847 91	Interest on bonds owned—(see exhibit G, page 23)		7,635 00
Taxes accrued—(see exhibit C, page 22)		195,618 90	Trackage rentals—(see exhibit H, page 23)		3,960 00
Equipment payments—(see exhibit D, page 22)		385,412 90	All other receipts—(see exhibit I, page 24)		77,423 69
Rental of leased lines—Gray's Pt. Ter. Ry. (see exhibit E, page 22)		16,950 00			
Sundry amounts—(see exhibit F, page 23)		42,192 80			
Surplus income for fiscal year ended June 30th, 1902, carried to credit of profit and loss account		728,189 18			
Total		$2,183,211 69	Total		$2,183,211 69

Net Income (Profit and Loss) Account—Entire System—June 30th, 1902.

To Interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1901	$ 918,592 99
Six months ended Dec. 31st, 1901, full interest (4%)—payable July 1st, 1902	$ 200,000 00	Surplus income from operation for fiscal year ended June 30th, 1902, brought down	728,189 18
Balance to credit of profit and loss account, June 30th, 1902	1,458,017 00	Interest received on second mortgage income bond certificates, surrendered in exchange for first consolidated mortgage bonds	11,234 92
Total	$1,658,017 09	Total	$1,658,017 09

Note—See appendix for income account and profit and loss account of each company separately.

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CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1902.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment (see exh. J, page 24)		$67,067,250 00	+ $ 567,250 00
Gray's Pt. Ter. Ry. leasehold (see exh. K, page 25)		339,000 00	—
Bonds and stocks owned (see exh. L, page 25)		7,121,039 21	+ 6,754,500 00
Other permanent investments (see exh. M, page 26)		31,991 92	+ 39 04
Trust equipment—unpaid balance (see exh. N, page 26)		1,657,302 51	+ 853,297 84
Current assets (see exh. S, page 30)—			
Cash	$5,881,436 56	—	+ 3,952,244 66
Sundry accounts collectible	352,695 74	—	- 210,621 27
Sundry advances (to be accounted for)	771,108 56	—	+ 621,490 48
Prepaid insurance	12,313 70	—	+ 2,643 73
	$7,017,554 56	—	—
Supplies on hand	507,266 95	—	- 119,801 37
		7,524,821 51	—
Total		$83,741,405 15	+$12,421,043 11

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock (see exh. O, page 27)—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt (see exh. P, page 27)—			
1st mortgage bonds	$20,000,000 00	—	—
1st consolidated m'tgage bonds	12,054,750 00	—	+$12,054,750 00
2d mortgage income bonds	10,000,000 00	—	—
1st mortgage bonds, Gray's Pt. Terminal Ry. (guaranteed)	339,000 00	42,393,750 00	—
Equipment trust obligations (see exh. R, page 29)		1,736,437 87	+ 811,902 20
Current liabilities (see exh. S, page 31)—			
Interest on bonds, due and accrued	$ 417,426 04	—	- 170,300 72
Sundry accounts payable	700,044 92	—	+ 15,770 71
Hospital fund	13,715 73	—	+ 8,055 27
Reserve funds	522,013 50	—	- 838,558 45
		1,653,200 19	—
Balance to credit of profit and loss account, June 30th, 1902, as per detailed exhibit on preceding page		1,458,017 09	+ 539,424 10
Total		$83,741,405 15	+$12,421,043 11

NOTE.—See appendix for condensed balance sheet of each company separately.

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EXHIBIT A.

Comparative Statement of Earnings, Expenses, Net Earnings and Taxes—Entire System.

Item.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Per cent.	Decrease.	Per cent.
Earnings—						
Freight	$ 5,555,726 90	$ 5,652,872 51	—	—	$ 97,145 61	1.72
Passenger—local	826,087 68	828,588 77	—	—	2,501 09	.30
Passenger—foreign	538,347 22	572,123 93	—	—	33,776 71	5.90
Mail	176,777 07	175,784 54	$ 992 53	.06	—	—
Express	95,533 37	101,433 31	—	—	5,899 94	5.82
Telegraph	6,356 19	6,517 07	—	—	160 88	2.46
Miscellaneous	68,431 30	49,854 27	18,577 03	37.26	—	—
Total	$ 7,267,259 73	$ 7,387,174 40	—	—	$119,914 67	1.62
Earnings per mile of road	$ 5,620 46	$ 5,791 59	—	—	$ 171 13	2.95
Expenses—						
Maintenance of way and structures	$ 1,357,932 37	$ 1,080,320 19	$ 277,612 18	25.70	—	—
Maintenance of equipment	819,588 39	672,139 16	147,449 23	21.94	—	—
Conducting transportation	2,636,721 20	2,499,143 54	137,577 66	5.50	—	—
General expenses	358,824 77	381,289 17	—	—	$ 22,464 40	5.89
Total	*$5,173,066 73	*$4,632,892 06	$ 540,174 67	11.66	—	—
Expenses per mile of road	$ 4,000 83	$ 3,632 22	$ 368 61	10.15	—	—
Percentage of expenses to earnings	71.18	62.72	8.46	—	—	—
Net Earnings—	$ 2,094,193 00	$ 2,754,282 34	—	—	$660,089 34	23.97
Per mile of road	$ 1,619 63	$ 2,159 37	—	—	$ 539 74	24.99
Percentage of total earnings	28.82	37.28	—	—	8.46	—
Expenses and Taxes—						
Expenses	$ 5,173,066 73	$ 4,632,892 06	$ 540,174 67	11.66	—	—
Taxes accrued	195,618 90	155,771 20	39,847 70	25.88	—	—
Total	$ 5,368,685 63	$ 4,788,663 26	$ 580,022 37	12.11	—	—
Per mile of road	$ 4,152 12	$ 3,754 34	$ 397 78	10.60	—	—
Percentage of total earnings	73.87	64.82	9.05	—	—	—
Surplus after paying taxes	$ 1,898,574 10	$ 2,598,511 14	—	—	$699,937 04	26.94
Per mile of road	$ 1,468 35	$ 2,037 25	—	—	$ 568 90	27.92

*For statement of betterments included in operating expenses, see exhibit A (continued), page 21.

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EXHIBIT A—*Continued.*

BETTERMENTS—ENTIRE SYSTEM.

INCLUDED IN OPERATING EXPENSES IN FOREGOING STATEMENT.

TITLE OF ACCOUNT AND NATURE OF EXPENSE.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Decrease.
MAINTENANCE OF WAY AND STRUCTURES—				
New buildings for transportation department	$ 5,567 02	$ 26,118 68	—	$ 20,551 66
New buildings for road department	4,333 69	3,947 85	$ 385 84	—
New roundhouses and shops	10,910 06	6,625 52	4,284 54	—
New fuel and water stations	6,205 83	11,338 45	—	5,132 62
New miscellaneous buildings	942 29	1,810 59	—	868 30
New machinery and tools	—	2,608 95	—	2,608 95
New side tracks	20,933 09	45,836 52	—	24,903 43
New bridges and culverts	872 34	5,760 33	—	4,887 99
Masonry	2,057 23	2,679 40	—	622 17
New fences	14,421 31	25,247 89	—	10,826 58
Rails	64,012 49	32,764 31	31,248 18	—
Fastenings, etc	14,541 29	7,064 54	7,476 75	—
Roadway and track	3,689 90	75,377 95	—	71,688 05
Right of way	—	4,088 86	—	4,088 86
Real estate	375 43	4,841 95	—	4,466 52
New telegraph	63 17	1,347 27	—	1,284 10
Total	$ 148,925 14	$ 257,459 06	—	$108,533 92
MAINTENANCE OF EQUIPMENT—				
Additional new appliances for equipment	317 31	808 86	—	491 55
Total	$ 149,242 45	$ 258,267 92	—	$109,025 47

NOTE—See exhibit T, page 32, showing additional expenditures for betterments during the fiscal year ended June 30, 1902, charged to "General Improvement Fund."

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

ITEM.		Year ended June 30, 1902.	Year ended June 30, 1901.	+Increase. - Decrease. This Year.
FIRST MORTGAGE—				
Twelve months at 4% on $20,000,000.00		$800,000 00	$800,000 00	—
FIRST CONSOLIDATED MORTGAGE—				
Interest accrued during June, 1902.	$40,182.50			
Less: Amount collected for interest accrued, from June 1, 1902, to dates of delivery	25,334.59	14,847 91	—	+$14,847 91
SECOND MORTGAGE INCOME—				
Interest earned during—				
Six months ended June 30, 1900, at 4% on $9,000,000.00	$180,000.00			
Six months ended Dec. 31, 1900, at 4% on $10,000,000.00	200,000.00			
Six months ended June 30, 1901, at 4% on $10,000,000.00	200,000.00	—	580,000 00	
Six months ended Dec. 31. 1901, at 4% on $10,000,000.00 (payable July 1, 1902)		200,000 00	—	-380,000 00
Total		$1,014,847 91	$1,380,000 00	-$365,152 09

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EXHIBIT C.

TAXES ACCRUED—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.
State, county and municipal taxes	$186,029 00	$149,656 05	$ 36,372 95
U. S. internal revenue stamp taxes	9,589 90	6,115 15	3,474 75
Total	$195,618 90	$155,771 20	$ 39,847 70

EXHIBIT D.

EQUIPMENT PAYMENTS CHARGED AGAINST INCOME ACCOUNT—ENTIRE SYSTEM.

Fiscal year ended June 30th, 1902:		
Equipment trust obligations matured and paid	$345,677 84	
First, or cash, payment on equipment purchased under trust agreements	36,312 56	
Miscellaneous equipment paid for in cash	3,422 50	$385,412 90
Fiscal year ended June 30th, 1901:		
Equipment trust obligations matured and paid	$214,026 36	
First, or cash, payment on equipment purchased under trust agreements	21,333 72	
Additional equipment paid for in cash, viz.:		
One-half interest, steamer "Marian" and miscellaneous work equipment	23,465 13	258,825 21
Increase this year		$126,587 69

EXHIBIT E.

RENTAL OF LEASED LINES—ENTIRE SYSTEM.

GRAY'S POINT TERMINAL RY.—

Interest on 1st mortgage bonds guaranteed as basis of rental, to-wit:

Twelve months at 5% on $339,000 00 . . . . . $16,950 00

NOTE.—No change has been made in this account during the current fiscal year.

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EXHIBIT F.

SUNDRY AMOUNTS CHARGED AGAINST INCOME ACCOUNT—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Decrease.
Equipment trust expenses	$ 2,220 79	$ 2,209 05	$ 11 74	—
Right of way settlements	1,066 73	253 25	813 48	—
Adjustment of sundry accounts	38,905 28	47,494 80	—	$8,589 52
Total	$ 42,192 80	$ 49,957 10	—	$7,764 30

EXHIBIT G.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1902.	Year ended June 30, 1901.
Paragould Southeastern Ry. Co., 1st mortgage: Twelve months at 6% on $56,000 00	$ 3,360 00	$ 3,360 00
Pine Bluff-Arkansas River Ry., 1st mortgage: Twelve months at 5% on $50,000 00	2,500 00	2,500 00
Gray's Point Terminal Ry. Co., 1st mortgage: Twelve months at 5% on $33,000 00	1,650 00	1,650 00
Citizens' Light and Transit Co. of Pine Bluff, Ark., 1st mortgage: Six months at 5% on $5,000 00	125 00	—
Total	$ 7,635 00	$ 7,510 00
Increase this year	$ 125 00	—

EXHIBIT H:

TRACKAGE RENTALS—ENTIRE SYSTEM.

MAGNOLIA BRANCH (McNeil to Magnolia, Ark., 6.4 miles):
Leased to the Louisiana & Northwest R. R.,
12 months, at $330.00 per month $3,960 00

NOTE.—No change has been made in this account during the current fiscal year.

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EXHIBIT I.

All Other Receipts—Credited Income Account—Entire System.

Item.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.
Interest and discount	$36,032 59	$34,419 91	$ 1,612 68
Adjustment of sundry accounts	41,391 10	36,305 36	5,085 74
Total	$77,423 69	$70,725 27	$ 6,698 42

EXHIBIT J.

Cost of Road and Equipment—Entire System.

Total cost June 30, 1902		$67,067,250 00
Total cost June 30, 1901		66,500,000 00
Increase during current fiscal year, explained as below:		$ 567,250 00
Additions:		
Discount on new issue of first consolidated mortgage bonds sold for cash, and expense of financing same, covering bonds issued during current fiscal year	$ 1,240,000 00	
Deductions:		
Discount of 10% on $6,727,500 00 second mortgage income bonds acquired and deposited with trustee as security for $6,054,750 00 first consolidated mortgage bonds	672,750 00	$ 567,250 00

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EXHIBIT K.

GRAY'S POINT TERMINAL RAILWAY—LEASEHOLD.

GRAY'S POINT TERMINAL RY.—

Property leased: Gray's Point to Delta, Mo.

Main track	16.4 miles.
Side track	6.2 miles.
Total	22.6 miles.

In consideration of 50 years' lease, principal and interest are guaranteed by the St. Louis Southwestern Ry. Co. on first mortgage bonds, Gray's Point Terminal Ry. Co., as follows: Bonds dated December 1st, 1897, due December 1st, 1947—50 years. Interest 5% due semi-annually on June 1st and December 1st.

339 Bonds @ $1,000 00 each . . . . . $ 339,000 00

NOTE.—No change has been made in this account during current fiscal year.

EXHIBIT L.

BONDS AND STOCKS OWNED—ENTIRE SYSTEM.

CLASS OF SECURITY.	PAR VALUE. June 30, 1902.	PAR VALUE. June 30, 1901.
DEPOSITED WITH BOWLING GREEN TRUST COMPANY, TRUSTEE, AS SECURITY FOR ISSUES OF FIRST CONSOLIDATED MORTGAGE BONDS—		
Second mortgage income bond certificates, St. L. Southwestern Ry Co.	$6,727,500 00	—
HELD IN COMPANY'S TREASURY—		
Capital stock, St. L. Southwestern Ry. Co.:		
Preferred	106,350 00	$ 106,350 00
Common	143,900 00	143,900 00
Capital stock, Paragould Southeastern Ry. Co.	56,000 00	56,000 00
First mortgage bonds, Paragould S-E. Ry. Co.—6%	56,000 00	56,000 00
Capital stock, Pine Bluff Arkansas River Ry.	200,000 00	100,000 00
First mortgage bonds, Pine Bluff-Ark. River Ry.—5%	50,000 00	50,000 00
Capital stock, Gray's Point Terminal Ry. Co.	500,000 00	500,000 00
First mortgage bonds, Gray's Point Terminal Ry. Co.—5%	33,000 00	33,000 00
Capital stock, So. Ill. and Mo. Bridge Co., part paid	10,000 00	10,000 00
Capital stock, La. Pur. Expo. Co., part paid	15,000 00	15,000 00
First mortgage bonds, Citizens' Light and Transit Co., Pine Bluff, Ark.—5%	5,000 00	—
Total par value	$7,902,750 00	$1,070,250 00
Increase this year	$6,832,500 00	—
ITEM.	BOOK VALUE, As per Condensed Bal. Sheet.	
Total book value	$7,121,039 21	$366,539 21
Increase this year	$6,754,500 00	—

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EXHIBIT M.

Other Permanent Investments—Entire System.

Item.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.
Real estate in Little Rock, Ark., (not used for railroad purposes)	$ 27,327 95	$ 27,327 95	—
Pintsch Compressing Co. Gas Plant at Texarkana, Ark., one-sixth interest	4,663 97	4,624 93	$ 39 04
Total	$ 31,991 92	$ 31,952 88	$ 39 04

EXHIBIT N.

Trust Equipment—Unpaid Balance—Entire System.

Item.	Year ended June 30, 1902.	Year ended June 30, 1901.
To Debit balance from preceding fiscal year	$ 804,004 67	$ 460,516 78
Amount of notes (covering deferred payments and interest) issued account of equipment purchased under trust agreements	1,198,975 68	553,774 08
Total	$2,002,980 35	$1,014,290 86
By Notes paid and transferred to debit of income acc't	345,677 84	210,286 19
Debit balance at close of fiscal year	$1,657,302 51	$ 804,004 67
Increase this year	$ 853,297 84	—

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EXHIBIT O.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1902.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	$100 00	$20,000,000 00	$20,000,000 00
Common	350,000	100 00	35,000,000 00	16,500,000 00
Total June 30th, 1902 . . .	550,000	—	$55,000,000 00	$36,500,000 00
Total June 30th, 1901 . . .	365,000	—	36,500,000 00	36,500,000 00
Increase this year . .	*185,000	—	*$18,500,000 00	—

*At a special meeting of Stockholders held in St. Louis May 24th, 1902, and called for the purpose, the common capital stock was increasd by the amount of $18,500,000.00, such increase consisting of 185,000 shares of the par value of $100.00 each. No portion of this authorized increase has been issued.

EXHIBIT P.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1902.

CLASS OF BOND OR OBLIGATION	Time.		Amount of authorized issue.	Amount issued.	Amount outstanding.	Interest.	
	Date of issue.	When due.				Rate.	When Payable.
First mortgage certificates . .	Nov. 1, 1890.	Nov. 1, 1989	$20,000,000 00	$20,000,000 00	$20,000,000 00	4%	May and Nov.
First consolidated mortgage bonds . .	June 1, 1902.	June 1, 1932.	†25,000,000 00	† 12,054,750 00	† 12,054,750 00	4%	June and Dec.
Second mortgage income certificates . .	Nov. 1, 1890.	Nov. 1, 1989.	†10,000,000 00	† 10,000,000 00	† 10,000,000 00	*4%	January and July.
First mortgage bonds, Gray's Point Terminal Ry. Co., (guaranteed)	Dec. 1, 1897.	Dec. 1, 1947.	500,000 00	339,000 00	339,000 00	5%	June and Dec.
Total June 30th, 1902			$55,500,000 00	$42,393,750 00	$42,393,750 00	—	—
Total June 30th, 1901			30,500,000 00	30,339,000 00	30,339,000 00	—	—
Increase this year . . .			$25,000,000 00	†$12,054,750 00	†$12,054,750 00	—	—

See exhibit Q, page 28, for "Security for Funded Debt."

*If earned.

†The increase in funded debt is accounted for by the new issue of first consolidated mortgage bonds, of which $6,000,000 00 were sold for cash to acquire equipment trust obligations outstanding, to purchase new equipment, and for other purposes, and $6,054,750 00 used to acquire $6,727,500 00 of second mortgage income bond certificates which have been deposited with Bowling Green Trust Co., Trustee, as security under terms of the first consolidated mortgage and carried as an asset in the account "Bonds and Stocks Owned" (see exhibit L, page 25).

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EXHIBIT Q.

SECURITY FOR FUNDED DEBT—ENTIRE SYSTEM.

Class of Bond or Obligation.	Road Mortgaged. From—	To—	Miles.	Amount of Mortgage per mile of line.	Equipment mortgaged.
St. Louis Southwestern Ry. Co.'s Issues— First mortgage certificates . . . . . Second mortgage income certificates . . . . . First consolidated mortgage bonds	a. St. Louis Southwestern Ry.— Main Line— Birds Point . . . . . Mo.	Texarkana . . . . . Tex.	418.00		All equipment shown on page 50, subject, however, to liens covering equipment represented by equipment trust obligations outstanding June 30th, 1902.
	Branches— New Madrid . . . . . "	Paw Paw . . . . . Mo.	5.70		
	Malden . . . . . "	Delta . . . . . "	51.40		
	Altheimer . . . . . Ark.	Argenta . . . . . Ark.	41.70		
	McNeil . . . . . "	Magnolia . . . . . "	6.40		
	Lewisville . . . . . "	Shreveport . . . . . La.	59.50		
		Total	582.70		
	b. St. Louis Southwestern Ry. of Texas— Main Line— Texarkana . . . . . Tex.	Gatesville . . . . . Tex.	304.60		
	Branches— Mt. Pleasant . . . . . "	Sherman . . . . . "	109.90		
	Commerce . . . . . "	Fort Worth . . . . . "	97.20		
	Corsicana . . . . . "	Hillsboro . . . . . "	40.00		
	Tyler . . . . . "	Lufkin . . . . . "	88.60		
		Total	640.30		
			1,223.00	c$28,885 73	
Gray's Point Terminal Ry. Co.'s Issues— First mortgage bonds (guaranteed by St. L. S-W. Ry. Co.)	Gray's Point Terminal Ry.— Gray's Point . . . . . Mo.	Delta . . . . . Mo.	16.40		
		Side Tracks . . .	6.20		
		Total	22.60	$15,000 00	
		Entire System, Total,	1,245.60	$28,633 79	

EXPLANATORY NOTES.

a. At the date of this report, no securities have been issued on account of the Stuttgart Branch, extending from Stuttgart to Gillett, Ark., a distance of 34.8 miles, the purchase price of this property having been advanced from current funds.

b. The St. L. S-W. Ry. Co. owns the bonds and stock of the St. L. S-W. Ry. Co. of Texas, which are pledged by the St. L. S-W. Ry. Co. to the Trustees of its general mortgages—the issues of the St. L. S-W. Ry. Co. are therefore secured by 1,223 miles of railroad.

c. In arriving at the average amount of mortgage per mile of line of the St. L. S-W. Ry. Co. and the St. L. S-W. Ry. Co. of Texas, there has been deducted from the total funded debt as shown in exhibit P, $6,727,500.00, representing amount of second mortgage income bond certificates exchanged for first consolidated mortgage bonds and carried as an asset in the account "Bonds and Stocks Owned," leaving amount of the net funded debt of these companies $35,327,250.00, which amount, divided by the total bonded mileage, gives the average amount of mortgage per mile of line $28,885.73, as shown.

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EXHIBIT R.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1902.

Total outstanding June 30th, 1901		$ 924,535 67
Add—		
Notes (covering deferred payments and interest) issued during fiscal year ended June 30th, 1902, on account of following agreements:		
American Car & Foundry Co.—Series C 4, for 1,000 box cars	$783,416 88	
Rogers Locomotive Works.—Series D 3, for 10 locomotives	154,964 88	
Pittsburg Locomotive and Car Works.—Series E 1, for 5 locomotives	47,072 64	
American Car & Foundry Co.—Series C 5, for 6 chair, 3 baggage and 20 caboose cars	93,463 20	
American Locomotive Co.—Series F 1, for 12 locomotives	120,058 08	1,198,975 68
Total		$2,123,511 35
Deduct—		
Notes paid during fiscal year ended June 30th, 1902		387,073 48
Total outstanding June 30th, 1902 (shown in detail below)		$1,736,437 87
Total outstanding June 30th, 1901		924,535 67
Increase this year		$ 811,902 20

NOTES OUTSTANDING, BY SERIES, JUNE 30, 1902.

Series.	Due during year ending						Total.
	June 30, 1903.	June 30, 1904.	June 30, 1905.	June 30, 1906.	June 30, 1907.	June 30, 1908.	
A 37	$ 19,273 80	$ 5,930 40	—	—	—	—	$ 25,204 20
A	25,000 00	—	—	—	—	—	25,000 00
X 1	17,312 82	—	—	—	—	—	17,312 82
X 2	21,474 83	8,259 55	—	—	—	—	29,734 38
X 3	7,035 73	3,788 47	—	—	—	—	10,824 20
R 1	13,830 31	4,255 48	—	—	—	—	18,085 79
M 1	20,512 96	18,935 04	$ 6,311 68	—	—	—	45,759 68
B 1	34,385 00	29,095 00	—	—	—	—	63,480 00
C 1	14,537 12	1,118 24	—	—	—	—	15,655 36
C 2	75,986 69	70,141 56	58,451 30	—	—	—	204,579 55
C 3	19,103 11	17,633 64	17,633 64	—	—	—	54,370 39
C 4	141,450 27	130,569 48	130,569 48	$130,569 48	$130,569 48	$ 65,284 74	729,012 93
C 5	16,875 30	15,577 20	15,577 20	15,577 20	15,577 20	10,384 80	89,568 90
D 1	27,579 63	25,458 12	6,364 53	—	—	—	59,402 28
D 2	27,311 05	25,210 20	12,605 10	—	—	—	65,126 35
D 3	27,979 77	25,827 48	25,827 48	25,827 48	25,827 48	17,218 32	148,508 01
E 1	12,748 84	11,768 16	11,768 16	980 68	—	—	37,265 84
F 1	32,515 73	30,014 52	30,014 52	5,002 42	—	—	97,547 19
Total	$554,912 96	$423,582 54	$315,123 09	$177,957 26	$171,974 16	$ 92,887 86	$1,736,437 87

NOTE.—At the date of this report, and since the close of the current fiscal year, over 97% of the total amount of equipment trust obligations outstanding June 30th, 1902, as above, have been acquired by the Company from the proceeds of sale of first consolidated mortgage bonds. The notes so purchased are kept alive as security for the new bonds.

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EXHIBIT S.

CURRENT ASSETS AND CURRENT LIABILITIES—ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1902.	June 30, 1901.	+Increase. -Decrease. This year.
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	*$5,523,609 40	$1,529,347 16	+$3,994,262 24
Remittances in transit from agents and conductors	92,550 46	96,941 23	- 4,390 77
In hands of Paymaster	15,775 31	11,518 43	+ 4,256 88
In hands of President:			
Current account	916 51	475 47	+ 441 04
On deposit with Mercantile Trust Co., Trustee 2d mortgage	6,087 17	37,928 68	- 31,841 51
On deposit to pay unpresented coupons:			
Central Trust Co. of New York (St. L. S-W. Ry. Co. 1st mortgage)	33,620 00	34,540 00	- 920 00
Mercantile Trust Co. (St. L. S-W. Ry. Co. 2d mortgage income)	208,277 71	209,190 93	- 913 22
St. Louis Trust Co. (Gray's Point Ter. Ry. Co. 1st mortgage)	600 00	9,250 00	- 8,650 00
	$5,881,436 56	$1,929,191 90	+$3,952,244 66
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	$ 51,235 03	$ 33,190 01	+$ 18,045 02
Bills receivable:			
St. L. S-W. Ry. Co.'s equipment trust notes (acquired by purchase—principal amount thereof)	—	307,971 94	- 307,971 94
Miscellaneous notes	538 36	1,130 67	- 592 31
U. S. Post Office Department	44,152 03	44,131 00	+ 21 03
Individuals and companies—open acc'ts.	213,444 97	168,121 00	+ 45,323 97
Unadjusted accounts	43,325 35	8,772 39	+ 34,552 96
	$ 352,695 74	$ 563,317 01	-$ 210,621 27
SUNDRY ADVANCES (to be accounted for)—			
Purchase, construction and survey advances, account extensions, projected lines, etc	$ 723,792 73	$ 116,087 61	+$ 607,705 12
Traffic and other associations—working funds	791 70	1,900 00	- 1,108 30
Paid freight claims—unadjusted	46,524 13	31,630 47	+ 14,893 66
	$ 771,108 56	$ 149,618 08	+$ 621,490 48
PREPAID INSURANCE	$ 12,313 70	$ 9,669 97	+$ 2,643 73
SUPPLIES ON HAND—			
General store	$ 248,432 35	$ 230,158 44	+$ 18,273 91
Fuel store	54,427 82	31,854 58	+ 22,573 24
Bridge and building store	71,871 40	69,218 28	+ 2,653 12
Superintendent's store	31,081 63	58,833 69	- 27,752 06
Cross tie store	47,153 69	37,484 72	+ 9,668 97
Steel rail store	11,065 96	156,978 48	- 145,912 52
Second-hand rail store	22,270 82	29,258 55	- 6,987 73
Stationery store	7,337 21	8,723 05	- 1,385 84
War revenue stamps	232 93	591 76	- 358 83
Commissary store	1,167 99	993 93	+ 174 06
Material suspense account	12,225 15	2,972 84	+ 9,252 31
	$ 507,266 95	$ 627,068 32	-$ 119,801 37
Total current assets *(carried forward)*.	$7,524,821 51	$3,278,865 28	+$4,245,956 23

* See note at bottom of page 31.

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EXHIBIT S—*Continued.*

CURRENT ASSETS AND CURRENT LIABILITIES—ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1902.	June 30, 1901.	+ Increase. - Decrease. This year.
Total current assets (*brought forward*)	$7,524,821 51	$3,278,865 28	+$4,245,956 23
CURRENT LIABILITIES.			
INTEREST ON BONDS—			
Due and unpaid (unpresented coupons)	$ 242,497 71	$ 252,980 93	-$ 10,483 22
Accrued not due	174,928 33	334,745 83	- 159,817 50
	$ 417,426 04	$ 587,726 76	-$ 170,300 72
SUNDRY ACCOUNTS PAYABLE—			
Audited vouchers unpaid	$ 233,261 59	$ 293,819 50	-$ 60,557 91
Audited pay-rolls unpaid	332,809 72	296,508 57	+ 36,301 15
Freight claim authorities issued	11,961 38	—	+ 11,961 38
Taxes accrued to June 30th—not due until December 31st	90,871 74	74,775 86	+ 16,095 88
Unadjusted accounts	31,140 49	19,170 28	+ 11,970 21
	$ 700,044 92	$ 684,274 21	+$ 15,770 71
HOSPITAL FUND	$ 13,715 73	$ 5,660 46	+$ 8,055 27
RESERVE FUNDS (see exhibit T, page 32)	$ 522,013 50	$1,360,571 95	-$ 838,558 45
Total current liabilities	$ 1,653,200 19	$2,638,233 38	-$ 985,033 19
Excess current assets	*$5,871,621 32	$ 640,631 90	+$5,230,989 42
Add— Bonds and stocks owned, market value—In addition to "current assets" above mentioned, the company has other available assets consisting of bonds and stocks owned in the Treasury. Based on quotations of the New York Stock Exchange at the close of the fiscal year, for such as are listed, and estimating the others at a low valuation, the total market value of these securities is approximately	269,769 63	259,180 50	+ 10,589 13
Excess assets (including bonds and stocks owned, in the Treasury)	*$6,141,390 95	$ 899,812 40	+$5,241,578 55
SUMMARY NOT ALLOWING "SUPPLIES ON HAND" AND "BONDS AND STOCKS OWNED" AS OFFSETS TO CURRENT LIABILITIES.			
Current assets (exclusive of "supplies on hand" and "bonds and stocks owned")	$ 7,017,554 56	$2,651,796 96	+$4,365,757 60
Current liabilities	1,653,200 19	2,638,233 38	- 985,033 19
Excess current assets	*$5,364,354 37	$ 13,563 58	+$5,350,790 79

*"Cash in hands of Treasurer" June 30th, 1902, includes $4,760,000.00, net proceeds from sale of $6,000,000.00, par value, of first consolidated mortgage bonds, during month of June, 1902, issued for acquisition of equipment trust obligations outstanding, to purchase new equipment and for other purposes; no portion of which amount was disbursed prior to close of fiscal year, June 30th, 1902. This will account to that extent for the large amount of "excess current assets," June 30th, 1902, as shown in above statement.

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EXHIBIT T.

RESERVE FUNDS—ENTIRE SYSTEM.

GENERAL IMPROVEMENT FUND.

By Credit balance June 30th, 1901		$1,336,009 33
By Credit balance June 30th, 1902		469,218 90
Decrease this year		$866,790 43
Explanation of decrease:		
To amounts expended and charged against the fund during fiscal year ended June 30th, 1902, as follows:		
New buildings for transportation department	$ 34,171 41	
New buildings for road department	3,642 92	
New roundhouses and shops	4,717 72	
New fuel and water stations	28,448 60	
New miscellaneous buildings	2,058 44	
New machinery and tools	1,837 05	
New side tracks	54,141 79	
New bridges and culverts	31,328 31	
New fences	47,998 93	
Rails	124,318 33	
Fastenings, etc.	38,523 35	
Roadway and track	490,108 20	
Right-of-way . . . . . CR.	96 45	
Real estate	967 66	
New telegraph	4,323 05	
	$866,489 31	
Additional new appliances for equipment	301 12	$866,790 43

EQUIPMENT REPLACEMENT FUND.

By Credit balance June 30th, 1901		$ 24,562 62
By Credit balance June 30th, 1902		52,794 60
Increase this year		$28,231 98
Explanation of increase:		
By Value of equipment destroyed and sold during fiscal year ended June 30th, 1902	$92,910 50	
To Value of replacements during fiscal year ended June 30th, 1902	64,678 52	$28,231 98

SUMMARY.

ITEM.	Year ended June 30, 1902.	Year ended June 30, 1901.
General improvement fund, credit balance,	$469,218 90	$1,336,009 33
Equipment replacement fund, credit balance,	52,794 60	24,562 62
Total reserve funds, credit balance	$522,013 50	$1,360,571 95
Decrease this year	$838,558 45	—

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EXHIBIT U.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1902.

The following statement, considered in connection with the foregoing financial exhibits, furnishes, in a condensed form, an analysis of all resources; showing, also, how the same were applied during the fiscal year:

RESOURCES.			
NET EARNINGS AS PER INCOME ACCOUNT			$2,094,193 00
MISCELLANEOUS CREDITS TO INCOME (PROFIT AND LOSS) ACCOUNT—			
Interest on bonds owned		$ 7,635 00	
Trackage rentals		3,960 00	
Interest received on second mortgage income bond certificates, surrendered in exchange for first consolidated mortgage bonds		11,234 92	
All other receipts		77,423 69	100,253 61
INCREASE IN LIABILITIES—			
First consolidated mortgage bonds		$12,054,750 00	
Equipment trust obligations		811,902 20	
Current liabilities—			
Sundry accounts payable	$15,770 71		
Hospital fund	8,055 27	23,825 98	
DECREASE IN ASSETS—			
Current Assets—			
Sundry acc'ts collectible	$210,621 27		
Supplies on hand	119,801 37	330,422 64	13,220,900 82
			$15,415,347 43
APPLICATION OF RESOURCES.			
MISCELLANEOUS CHARGES TO INCOME (PROFIT AND LOSS) ACCOUNT—			
Accrued interest on 1st mortgage bonds,		$ 800,000 00	
Accrued interest on 1st consolidated mortgage bonds		14,847 91	
Interest earned on 2nd mortgage income bonds, six months ended December 31, 1901		200,000 00	
Rental of leased lines (Gray's Point Terminal Ry.)		16,950 00	
Taxes accrued		195,618 90	
Equipment payments		385,412 90	
Sundry amounts		42,192 80	$1,655,022 51
INCREASE IN ASSETS—			
Cost of road and equipment		$ 567,250 00	
Bonds and stocks owned		6,754,500 00	
Other permanent investments		39 04	
Trust equipment—unpaid balance		853,297 84	
Current assets—			
Cash	$3,952,244 66		
Sundry advances (to be accounted for)	621,490 48		
Prepaid insurance	2,643 73	4,576,378 87	
DECREASE IN LIABILITIES—			
Current liabilities—			
Interest on bonds due and accrued		170,300 72	
Reserve funds		838,558 45	13,760,324 92
			$15,415,347 43

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TRAFFIC.

PASSENGER TRAFFIC—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	1,236,335	1,281,928	—	—	45,593	3.56
Number of passengers carried one mile	58,073,255	57,983,590	89,665	1.55	—	—
Number of passengers carried one mile per mile of road . .	44,914	45,459	—	—	545	1.20
Average distance one passenger carried (miles)	46.97	45.23	1.74	3.85	—	—
*Total passenger revenue . . .	$1,364,434.90	$1,400,712.70	—	—	$36,277.80	2.59
*Average revenue per passeng'r	$1.1036	$1.0927	$0.0109	1.00	—	—
*Average revenue per passenger per mile	$0.0235	$0.0242	—	—	$0.0007	2.89

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

FREIGHT TRAFFIC—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Per cent.	Decrease	Per cent.
Number of revenue tons carried	2,586,387	2,399,171	187,216	7.80	—	—
Number of revenue tons carried one mile	514,942,815	468,837,265	46,105,550	9.83	—	—
Number of revenue tons carried one mile per mile of road	398,254	367,571	30,683	8.35	—	—
Average distance haul of one revenue ton (miles)	199.10	195.42	3.68	1.88	—	—
*Total freight revenue . .	$5,555,726.90	$5,652,872.51	—	—	$97,145.61	1.72
*Average revenue per revenue ton	$2.1481	$2.3562	—	—	$0.2081	8.83
*Average revenue per revenue ton per mile .	$0.0108	$0.0121	—	—	$0.0013	10.74

*Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

NOTE.—Number of tons of Company freight carried (not included in revenue freight in this table) during year ended June 30th, 1902, 384,771 tons, and for the preceding fiscal year, 327,123 tons, an increase of 57,648 tons.

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Classification of Revenue Tonnage—Entire System.

Commodities.	Year ended June 30, 1902.		Year ended June 30, 1901.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Grain	266,662	10.31	131,728	5.49	134,934	102.43	—	—
Flour	60,383	2.33	51,840	2.16	9,543	18.41	—	—
Other mill products	34,550	1.34	31,361	1.31	3,189	10.17	—	—
Hay	51,824	2.00	28,092	1.17	23,732	84.48	—	—
Tobacco	23	.00	116	.00	—	—	93	80.17
Cotton	149,989	5.80	195,536	8.15	—	—	45,547	23.29
Cotton seed products	127,740	4.94	165,816	6.91	—	—	38,076	22.96
Fruit and vegetables	30,768	1.19	27,174	1.13	3,594	13.23	—	—
Live stock	17,998	.70	35,626	1.49	—	—	17,628	49.48
Dressed meats	1,885	.07	1,209	.05	676	55.91	—	—
Other packing house products	17,531	.68	18,174	.76	—	—	643	3.54
Poultry, game and fish	256	.01	141	.01	115	81.56	—	—
Wool	84	.00	50	.00	34	68.00	—	—
Hides and leather	263	.01	267	.01	—	—	4	1.50
Anthracite coal	989	.04	205	.01	784	382.44	—	—
Bituminous coal	63,441	2.45	78,404	3.27	—	—	14,963	19.08
Coke	5,021	.19	8,005	.33	—	—	2,984	37.28
Ores	1,513	.06	2,458	.10	—	—	945	38.45
Salt	10,980	.42	9,082	.38	1,898	20.90	—	—
Stone, sand and other like articles	12,377	.48	9,399	.39	2,978	31.68	—	—
Lumber	1,303,741	50.41	1,205,350	50.24	98,391	8.16	—	—
Petroleum and other oils	58,346	2.26	38,093	1.59	20,253	53.17	—	—
Sugar	7,460	.29	10,839	.45	—	—	3,379	31.17
Naval stores	624	.02	486	.02	138	28.40	—	—
Iron, pig and bloom	4,644	.18	2,601	.11	2,043	78.55	—	—
Iron and steel rails	25,779	1.00	26,815	1.12	—	—	1,036	3.86
Other castings and machinery	20,315	.79	20,962	.87	—	—	647	3.09
Bar and sheet metal	2,381	.09	2,899	.12	—	—	518	17.87
Cement, brick and lime	47,908	1.85	34,174	1.42	13,734	40.19	—	—
Agricultural implements	4,481	.17	5,222	.22	—	—	741	14.19
Wagons, carriages, tools, etc.	7,822	.30	11,469	.48	—	—	3,647	31.80
Wines, liquors and beers	8,700	.34	9,226	.38	—	—	1,526	16.54
Household goods and furniture	12,933	.50	15,131	.63	—	—	2,198	14.53
Merchandise	128,203	4.96	128,958	5.38	—	—	755	.59
Miscellaneous	98,773	3.82	92,263	3.85	6,510	7.06	—	—
Total	2,586,387	100.00	2,399,171	100.00	187,216	7.80	—	—
Tonnage originating on this system	1,786,673	69.08	1,591,159	66.32	195,514	12.29	—	—
Tonnage received from connecting lines	799,714	30.92	808,012	33.68	—	—	8,298	1.03
Total	2,586,387	100.00	2,399,171	100.00	187,216	7.80	—	—
Tonnage north-bound	1,313,275	50.78	1,287,477	53.66	25,798	2.00	—	—
Tonnage south-bound	1,273,112	49.22	1,111,694	46.34	161,418	14.52	—	—
Total	2,586,387	100.00	2,399,171	100.00	187,216	7.80	—	—

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CONDUCTING TRANSPORTATION.

Train and Car Mileage Statistics—Entire System.

Freight.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year	6,711	5,834	877	15.03	—	—
Average number of freight cars in service during the year	6,214	5,349	865	16.17	—	—
Number of miles run by all freight trains (including mixed trains)	2,218,851	2,232,690	—	—	13,839	.62
Number of miles run by freight cars on this line—						
Loaded	33,710,724	33,305,204	405,520	1.22	—	—
Empty (includes cabooses)	14,186,690	14,272,742	—	—	86,052	.60
All	47,897,414	47,577,946	319,468	.67	—	—
Home	24,281,405	23,648,824	632,581	2.67	—	—
Foreign	23,616,009	23,929,122	—	—	313,113	1.31
Number of miles run by home cars on foreign lines	16,950,330	15,543,503	1,406,827	9.05	—	—
Percentage of empty car mileage to total car mileage	29.62	30.00	—	—	.38	1.27
Average number of cars in each freight train—						
Loaded	15.19	14.92	.27	1.81	—	—
Empty (includes cabooses)	6.39	6.39	—	—	—	—
All	21.58	21.31	.27	1.31	—	—
Average load in tons—						
Per loaded car (revenue freight)	15.28	14.08	1.20	8.52	—	—
Per loaded car (revenue and company freight)	16.84	15.38	1.46	9.49	—	—
Per train (revenue freight)	232.08	209.99	22.09	10.52	—	—
Per train (revenue and company freight)	255.80	229.36	26.44	11.53	—	—
Average number of miles run per car per day—						
On this line—home	21	21	—	—	—	—
On this line—foreign	22	22	—	—	—	—
On foreign lines—home	18	20	—	—	2	10.00
Passenger.						
Total number of passenger cars owned (all classes) at close of the year	115	107	8	7.48	—	—
Average number of passenger cars in service during the year	112	109	3	2.75	—	—
Number of miles run by passenger trains (not including mixed trains)	1,612,319	1,596,924	15,395	.96	—	—
Number of miles run by passenger cars on this line—						
Home	6,816,618	6,501,485	315,133	4.85	—	—
Foreign	1,441,262	1,464,417	—	—	23,155	1.58
All	8,257,880	7,965,902	291,978	3.67	—	—
Average number of cars in each passenger train	4.82	4.72	.10	2.12	—	—
Average number of miles run per car per day—						
Home	176	175	1	.57	—	—
Foreign	123	108	15	13.89	—	—

Note.—The Train and Car Mileage figures shown in this table were compiled in accordance with the rules of the Interstate Commerce Commission.

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Train and Car Mileage Statistics—Entire System—*Continued.*

Amounts Paid and Received for Mileage and Hire of Freight Cars.

Description.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Per cent.	De-crease.	Per cent.
Amounts paid—						
For mileage of foreign freight cars on this line	$160,517 04	$153,166 28	$ 7,350 76	4.80	—	—
For hire of freight cars (500 stock)	36,000 00	36,000 00	—	—	—	—
Total	$196,517 04	$189,166 28	$ 7,350.76	3.89	—	—
Amounts received—						
For mileage of St. L. S-W. Ry. System freight cars on foreign roads	111,579 04	93,301 58	18,277 46	19.59	—	—
Net balance paid out . . .	$ 84,938 00	$ 95,864 70	—	—	$10,926 70	11.40

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MAINTENANCE OF WAY AND STRUCTURES.

During the fiscal year the roadway, track, bridges and buildings have been fully maintained and the general condition thereof substantially improved, as will be seen by reference to the following exhibits:

Road Department.

Character of Rail in Main Track, June 30th, 1902.

Location.	75-lb. Steel. Track miles.	60-lb. Steel. Track miles.	56-lb. Steel. Track miles.	55-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—						
Main line	191.51	—	226.49	—	—	418.00
New Madrid branch	—	—	—	—	5.70	5.70
Gray's Point branch	—	—	51.40	—	—	51.40
Stuttgart branch . .	—	—	—	—	34.80	34.80
Little Rock branch	—	—	41.70	—	—	41.70
Shreveport branch .	—	—	59.50	—	—	59.50
Gray's Point Terminal Ry. Co. . .	—	—	—	16.40	—	16.40
Total	191.51	—	379.09	16.40	40.50	627.50
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—						
Main line	60.78	6.15	237.67	—	—	304.60
Sherman branch . .	—	—	109.90	—	—	109.90
Ft. Worth branch .	—	—	97.20	—	—	97.20
Hillsboro branch .	—	—	40.00	—	—	40.00
Lufkin branch . . .	—	—	88.60	—	—	88.60
Total	60.78	6.15	573.37	—	—	640.30
ENTIRE SYSTEM—						
June 30th, 1902 . .	252.29	6.15	952.46	16.40	40.50	1,267.80
June 30th, 1901 . .	103.75	6.15	1,027.64	16.40	113.86	1,267.80
Increase this year .	148.54	—	—	—	—	—
Decrease this year .	—	—	75.18	—	73.36	—

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NEW STANDARD 75-POUND STEEL RAIL PURCHASED AND PLACED IN MAIN TRACK AND LEADS TO SIDE TRACKS.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . . .	1010 $\frac{1900}{2240}$	8.58
During fiscal year ended June 30th, 1896 . . .	2120 $\frac{580}{2240}$	17.99
During fiscal year ended June 30th, 1897 . . .	301 $\frac{1310}{2240}$	2.56
During fiscal year ended June 30th, 1898 . . .	2089 $\frac{1390}{2240}$	17.73
During fiscal year ended June 30th, 1899 . . .	902 $\frac{370}{2240}$	7.65
During fiscal year ended June 30th, 1900 . . .	2000 $\frac{950}{2240}$	16.97
During fiscal year ended June 30th, 1901 . . .	11667 $\frac{550}{2240}$	98.99
During fiscal year ended June 30th, 1902 . . .	10500 $\frac{1850}{2240}$	89.10
Total purchased	30592 $\frac{3050}{2240}$	259.57
PUT IN TRACK TO REPLACE LIGHTER RAIL—		
During fiscal year ended June 30th, 1895 . . .	522 $\frac{1620}{2240}$	4.43
During fiscal year ended June 30th, 1896 . . .	1069 $\frac{1815}{2240}$	9.08
During fiscal year ended June 30th, 1897 . . .	1272 $\frac{1845}{2240}$	10.80
During fiscal year ended June 30th, 1898 . . .	2557 $\frac{595}{2240}$	21.70
During fiscal year ended June 30th, 1899 . . .	998 $\frac{605}{2240}$	8.47
During fiscal year ended June 30th, 1900 . . .	1983 $\frac{885}{2240}$	16.83
During fiscal year ended June 30th, 1901 . . .	3923 $\frac{325}{2240}$	33.29
During fiscal year ended June 30th, 1902 . . .	17816 $\frac{1025}{2240}$	151.17
Total	30143 $\frac{1825}{2240}$	255.77
PUT IN TRACK TO REPLACE 75-POUND RAIL—		
During fiscal year ended June 30th, 1900 . . .	8 $\frac{760}{2240}$	.07
During fiscal year ended June 30th, 1902 . . .	8 $\frac{520}{2240}$	.07
Total	16 $\frac{1310}{2240}$	.14
Total put in track	30160 $\frac{605}{2240}$	255.91
OTHER DISBURSEMENTS—		
Sold during fiscal year ended June 30th, 1902 .	35 $\frac{1850}{2240}$	.31
Total disbursements	30196 $\frac{815}{2240}$	256.22
Balance on hand June 30th, 1902	396 $\frac{1825}{2240}$	3.35

NOTE.—In addition to the foregoing statement of rail purchased, there has been ordered for delivery during last quarter of 1902, 30,000 tons of 75-pound steel rail, sufficient to relay about 255 miles of track, and 3,500 tons 70-pound steel rail, sufficient to relay about 32 miles of track—the 70-pound rail was received during August, 1902.

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CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1902.

DESCRIPTION.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Rock	8.36	—	8.36
Gravel and sand	325.20	—	325.20
Cinders	27.99	—	27.99
Natural soil and length of bridges and trestles	—	265.95	265.95
Total	361.55	265.95	627.50
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Rock	96.07	—	96.07
Gravel and sand	134.37	—	134.37
Cinders	28.03	—	28.03
Natural soil and length of bridges and trestles	—	381.83	381.83
Total	258.47	381.83	640.30
ENTIRE SYSTEM—			
Rock	104.43	—	104.43
Gravel and sand	459.57	—	459.57
Cinders	56.02	—	56.02
Natural soil and length of bridges and trestles	—	647.78	647.78
Total, current fiscal year, ended June 30, 1902	620.02	647.78	1,267.80
Total, current fiscal year, ended June 30, 1901	567.60	700.20	1,267.80
Increase this year	52.42	—	—
Decrease this year	—	52.42	—

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Fencing on Right of Way—Entire System.

Location.	Linear miles of fence.	
	Built this year.	Total June 30, 1902.
St. Louis Southwestern Ry. Co.	173.37	*877.96
St. Louis Southwestern Ry. Co. of Texas . .	†153.59	965.09
Total	326.96	1,843.05

*Includes 32.06 miles (Grays Point Term. Ry.) not previously reported.

†Includes 24.68 miles omitted from fiscal year ended June 30th, 1901.

Description of Telegraph Lines—Entire System.

Mileage.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.
Miles of railroad	1,267.8	1,267.8	—
Miles of wire—			
Owned by this company (on poles owned by Western Union Telegraph Company) . .	1,520.8	1,339.8	181.0
Owned by Western Union Telegraph Company	2,960.0	2,926.0	34.0
Owned by Texas Midland R. R. Co. Between Commerce and Greenville, Tex.	29.0	29.0	—
Owned by Gulf, Colorado and Santa Fe Ry. Co. Between Wolfe City and Sherman, Tex. .	39.0	39.0	—
Total	4,548.8	4,333.8	215.0

Note.—The telegraph wires owned by this company and the Western Union Telegraph Company are operated jointly.

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Comparative Statement of Maintenance and Improvements in Road Department, During Years Ended June 30th, 1902-1901.

Character of Work.	St. L. S-W. Ry. Co.		St. L. S-W. Ry. Co. of Texas.		Entire System.	
	Year ended June 30, 1902.	Year ended June 30, 1901.	Year ended June 30, 1902.	Year ended June 30, 1901.	Year ended June 30, 1902.	Year ended June 30, 1901.
Miles of track ditched by plow	0.0	2.0	0.0	0.5	0.0	2.5
Miles of track ballasted	51.4	20.0	1.6	1.7	53.0	21.7
Miles of track laid and relaid with 75-lb. steel	106.2	16.6	45.0	16.7	151.2	33.3
Miles of track laid and relaid with 56-lb. steel	4.6	5.8	76.2	17.0	80.8	22.8
Miles of track laid and relaid with 35-lb. steel	3.4	3.9	0.4	2.0	3.8	5.9
Miles of new saw mill spurs, private and side tracks	9.0	5.7	16.3	6.7	25.3	12.4
Miles of old side tracks taken up	1.1	4.9	5.3	3.2	6.4	8.1
Number of cross-ties placed in track	394,007	267,750	317,749	267,289	711,756	535,039
Sets of switch-ties placed in track	138	83	172	118	310	201

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Bridge and Building Department.

Bridges—Statement of Permanent Spans, June 30th, 1902.

Location.	Mile post.*	No. of spans.	Length each.	Total length.	Kind of Structure.	Class.†	Year built.
St. Louis Southwestern R'y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	294	—	Pin connected draw	A	1902
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	556	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,833	—	—	—
St. Louis Southwestern R'y Co. of Texas—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss	A	1890
Total	—	20	—	2,357	—	—	—
Entire System	—	43	—	6,190	—	—	—

*Note.—Location of mile posts; without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†Note.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.

Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.

Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.

Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

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BRIDGES—STATEMENT OF TRESTLE BRIDGING, JUNE 30TH, 1902.

LOCATION.	LENGTH. In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's Point section	25,033	4.74
Jonesboro section	32,644	6.18
Pine Bluff section	46,012	8.72
New Madrid branch	57	.01
Gray's Point incline	1,303	.25
Gray's Point branch	8,944	1.69
Stuttgart branch	966	.18
Little Rock branch	5,726	1.09
Shreveport branch	4,494	.85
Total	126,505	23.96
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	31,625	5.99
Tyler section	29,497	5.59
Waco section	4,190	.79
Ft. Worth branch	19,505	3.69
Sherman branch	19,137	3.62
Lufkin branch	9,929	1.88
Hillsboro branch	4,628	.88
Total	118,511	22.44
ENTIRE SYSTEM, June 30th, 1902	245,016	46.40
ENTIRE SYSTEM, June 30th, 1901	244,633	46.33
Increase this year	383	.07

NOTE.—During the current fiscal year, 4,459 feet or .84 of a mile of trestles were filled and substituted with culverts of cast iron pipe. The increase of .07 of a mile in total length of trestles this year, as shown in the above table, is caused by including therein trestles on the Stuttgart branch and revised measurements of trestles for the entire line.

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RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1902.

ST. LOUIS SOUTHWESTERN R'Y CO.			Cost.
New wooden trestles	868	Linear feet	$ 5,049 25
Trestles rebuilt	2,422	Linear feet	8,445 44
Trestles filled and replaced with cast iron pipe culverts (cost of pipe and labor placing)	1,123	Linear feet	7,340 10
Raising trestles account grade improvem'ts			10,105 91
Tile culverts enlarged			246 81
Box culvert			21 60
Wire fence	915,375	Linear feet	22,332 88
Farm gates	163		1,658 83
Store room and platform at Pine Bluff, Ark., enlarged	1		1,977 12
Cotton platforms (wood)	3,780	Square feet	622 44
Freight platforms	4,800	Square feet	360 51
New station building at Gillett, Ark	1		881 58
Passenger shed at Spirit Lake, Ark	512	Square feet	182 26
Station buildings enlarged and remodeled	5		7,082 97
Water closets	1		37 97
Mail cranes	2		45 25
Cattle guards (standard)	120		3,429 21
Turntables at Birds Point, Mo., and Shreveport, La.	2		3,202 63
Car repairer's shanty at Fair Oaks, Ark.	1		81 32
Section houses 3, bunk houses 2	5		3,751 60
Section tool houses	19		1,021 59
New water stations (gasoline) at Dexter, Mo., and Altheimer, Ark.	2		5,882 04
Railroad crossing gates	1		30 80
Highway bridges	3		1,857 15
Bumping posts	2		217 11
Stock pens at Porter, Olena, and DeWitt, Ark.	3		446 04
Track scales (42 ft.) at Jonesboro, Ark.	1		1,370 37
Total, fiscal year ended June 30th, 1902			$ 87,680 78
Total, fiscal year ended June 30th, 1901			51,446 80
Increase this year			$ 36,233 98
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.			
New trestles	56	Linear feet	$ 285 85
Trestles rebuilt	12,332	Linear feet	49,437 89
Trestles filled and replaced with cast iron pipe culverts (cost of pipe and labor placing)	3,236	Linear feet	19,575 74
Culverts enlarged			293 84
Wire fence	680,672	Linear feet	16,127 69
Motive power yard fence at East Waco, Tex.	5,719	Linear feet	301 10
Farm gates	343		2,495 74
Cotton platforms (wood)	13,760	Square feet	977 03
Freight and other platforms	14,516	Square feet	1,457 86
New station buildings at Saltillo, Flint and Mt. Selman, Tex.	3		1,703 69
New freight depot at Commerce, Tex.	1		1,417 62
Freight depot at Tyler, Tex., enlarged	1		1,007 71
Station buildings enlarged and remodeled	4		5,346 35
New fruit shed at Tyler, Tex.	1		173 42
Fruit shed at Tyler, Tex., enlarged	1		67 34
Amount carried forward			$100,668 87

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RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS.		Cost.
Amount brought forward		$100,668 87
General office buildings, repairs	2	116 85
Water closets	14	402 08
Mail cranes	5	118 20
Cattle guards (standard)	174	4,242 79
Turntables at Commerce and Alto, Tex.	2	3,133 93
Office building at East Waco, Tex.	1	684 83
Motive power shop building at E. Waco, Tex.	1	634 94
Store room office at East Waco, Tex.	1	675 78
Blacksmith shed " " "	1	52 20
Scrap iron bin " " "	1	94 33
Roundhouse (10 stalls) at East Waco, Tex.	1	9,706 87
Oil house at East Waco, Tex.	1	52 12
Lamp house at Texarkana, Tex.	1	168 04
Yard master's office at Texarkana, Tex.	1	511 55
Pump houses	6	1,026 51
Section houses 5, bunk houses 8	13	4,910 05
Section tool houses	26	1,264 55
New water stations at Redwater (with pipe line) and East Waco, Tex. (gasoline)	2	4,254 42
Railroad crossing gates	7	142 86
Stock pen at Tom Bean, Tex.	1	133 60
Track scales at Texarkana, East Waco and Lufkin, Tex.	3	4,093 36
Wells	9	8,275 48
Steam plant and pipe line at Corsicana and Sulphur Springs, Tex.	2	1,858 76
Dam at Sulphur Springs, Tex.	1	1,085 75
Pipe line at Tom Bean, Tex.	1	208 88
Water tanks at Sabine River, Sulphur Spgs. and Tom Bean, Tex.	3	4,107 05
Water tubs	68	2,798 27
Washout pits	2	253 36
Coal bins	7	573 87
Coal chute and incline at Mt. Pleasant, Tex.,	1	10,996 89
Stone piers under bridges No. 732 (2) and 758 (2)	4	12,345 39
Cinder pit sewer at East Waco, Tex.	1	252 66
Pipe line coach track at East Waco, Tex.	1	250 37
Total, fiscal year ended June 30th, 1902		$180,095 46
Total, fiscal year ended June 30th, 1901		87,045 29
Increase this year		$ 93,050 17
ENTIRE SYSTEM.		
Total, fiscal year ended June 30th, 1902		$267,776 24
Total, fiscal year ended June 30th, 1901		138,492 09
Increase this year		$129,284 15

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Engineering Department.

The general work of this Department has been well kept up during the year. Many surveys covering the location of various industries along the line have been made, and estimates for all work done by the Bridge and Building, Road and Engineering Departments, prepared.

Important Improvement Work.

Most of the work involved in connection with strengthening the various truss bridges on the system, based on last year's examinations, has been completed, including the new 300 ft. draw span across the Red River, near Garland City, Ark., and the replacing with masonry of the wooden piers in the Tehuacana River span, M. P. 669.8, Main Line, Texas.

During the current fiscal year, on the St. Louis Southwestern Ry., the new 75-lb. steel rail has been extended, and rail of this standard is now in the track from Texarkana northward to M. P. 226, near Ulm, Ark., excepting a gap of about one mile in the vicinity of Camden, Ark., where improvements are now in progress, and about three miles in the Cameron Hill district, Ark., where the steam shovel work has just been completed.

On the line of the St. Louis Southwestern Railway Company of Texas the work of laying new 75-lb. steel rail from Texarkana to Mt. Pleasant, and replacing the 35-lb. rail on the Lufkin branch with 56-lb. rail (released by the laying of the above mentioned 75-lb. rail), was completed during the fiscal year.

The work of ballasting track with gravel has been completed between Jonesboro, Ark., and Clarendon, Ark., and ballasting is now in progress from the latter point southward.

The following improvement work in progress during the preceding fiscal year was practically completed at the close of the current fiscal year:

Buena Vista Hill District, M. P. 345 to 350, inclusive, Main Line, Arkansas: Reduction of grades, curvature, etc.

Ogemaw District, M. P. 350 to 354, inclusive, Main Line, Arkansas: Reduction of grades, curvature, etc.

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Milton Hill District, M. P. 410 to 416, inclusive, Main Line, Arkansas: Reduction of grades and curvature.

College Hill District, M. P. 416 to 417, inclusive, Main Line, Arkansas: Reduction of grades, curvature, etc.

Texarkana, Texas, Yard, M. P. 418, Main Line, Texas: Raising and remodeling the yard, affording a trackage capacity of 600 cars.

New Motive Power Yard at East Waco, Texas, M. P. 676, Main Line, Texas: This work which was practically completed at the close of the last fiscal year, has been entirely completed.

The following improvement work, under the supervision of the Engineering Department, in connection with the improvements of the roadway and track, such as the reduction of grades and curvature, raising track above overflow, etc., was commenced during the current fiscal year and is worthy of special mention:

Bearden Gravel Pit District, M. P. 323 to 325, inclusive, Main Line, Arkansas: Revision of alignment and reduction of grades and curvature, and rectifying water ways. Work commenced December, 1901, completed May, 1902.

Camden Yard and vicinity, M. P. 337.3, Main Line, Arkansas: Reduction of gradient, construction of underhead crossing wagon bridge, filling of the ravine trestle, etc. Work now in progress.

Stephens Hill District, M. P. 354 to 360, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work commenced July, 1901, completed June, 1902.

Smackover Bottom District, M. P. 360 to 364, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work commenced April, 1902, and still in progress.

McNeil District, M. P. 364 to 368, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work commenced January, 1902, and still in progress.

Cotton Belt District, M. P. 368 to 371, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work commenced April, 1902, and still in progress.

Waldo District, M. P. 371 to 375, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work in progress.

Lumber District, M. P. 375 to 380, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work in progress.

Buckner District, M. P. 380 to 385, inclusive, Main Line, Arkansas: Reduction of gradients, etc., and rectifying water ways. Work in progress.

Sunny South District, M. P. 385 to 390, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, and rectifying water ways. Work commenced July, 1901, and now in progress.

Nigger Hill District, M. P. 390 to 393, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, raising sags, widening embankments, and rectifying water ways. Work commenced November, 1901, and completed June, 1902.

Red River Bottom District, M. P. 393 to 404.6, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, raising sags, widening

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embankments, etc. Work commenced November, 1901, and still in progress.

Cameron Hill District, M. P. 404.6 to 410, inclusive, Main Line, Arkansas: Reduction of gradients and curvature, raising sags, widening embankments, and rectifying water ways. Work commenced July, 1901, and completed during current fiscal year, with exception of ballasting.

Preliminary surveys for the reduction of gradients to one per cent. compensated, in Texas, between Texarkana and Mt. Pleasant, were completed, and it is proposed to carry on this improvement with steam shovels during the current fiscal year.

New Construction.

Eleven miles of the Dallas Extension, from Noel Junction, on the Ft. Worth Division of the St. L. S-W. Ry. Co. of Texas, to the crossing of the M. K. & T. Ry. of Texas, in the suburbs of the city of Dallas, Tex., have been completed. The balance of the line, about one and one-half miles, to a connection with the rails of the Dallas Terminal Ry. & Union Depot Co., is now under construction. When this extension is completed, the use of the G. C. & S. F. Ry. track, between Wylie and Dallas, will be discontinued.

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MAINTENANCE OF EQUIPMENT.

List of Equipment Owned and Leased—Entire System.

Class.	On hand June 30, 1901.	Changes during year.						On hand June 30, 1902.
		Purchased.	Built and rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
Locomotives—								
Eight-wheel:								
14 x 22	1	—	—	—	—	—	—	1
16 x 24	34	—	—	—	—	—	—	34
17 x 24	25	—	—	1	2	—	1	23
18 x 26	7	5	—	—	—	—	—	12
Total	67	5	—	1	2	—	1	70
Ten-wheel:								
17 x 24	6	—	—	—	—	—	—	6
19 x 26	—	—	—	—	—	—	5	5
20 x 26	15	10	—	—	—	5	—	20
Total	21	10	—	—	—	5	5	31
Mogul:								
15 x 20	3	—	—	—	2	—	—	1
18 x 24	30	—	—	—	—	—	—	30
19 x 26	—	10	—	—	—	—	—	10
Total	33	10	—	—	2	—	—	41
Compound (eight-wheel):								
19 x 29 x 24	3	—	—	—	—	1	—	2
Switch (six-wheel):								
18 x 24	3	2	—	—	—	—	—	5
Grand total	127	27	—	1	4	6	6	149
Passenger cars—								
Official	5	—	—	—	—	—	—	5
Parlor	5	—	—	—	—	—	—	5
Chair	21	6	—	—	—	—	—	27
Coaches	46	—	—	—	2	—	—	44
Combination	1	—	—	—	—	—	—	1
Baggage and express	10	3	2	—	—	—	—	15
Mail and express	20	—	—	—	—	1	—	19
Mail	4	—	—	—	—	—	—	4
Total	112	9	2	—	2	1	—	120
Freight cars—								
Refrigerator	24	—	—	1	—	—	—	23
Furniture	426	—	—	6	—	—	—	420
Caboose	68	20	—	4	—	—	—	84
Box	3,612	1000	2	77	6	—	—	4,531
Stock	760	—	—	7	—	—	—	753
Flat	544	—	—	30	—	1	2	515
Tank	4	—	—	—	—	—	—	4
Coal	396	—	—	14	1	—	—	381
Total	5,834	1020	2	139	7	1	2	6,711
Work cars—								
Ballast	200	—	—	—	—	2	—	198
Cinder	10	—	—	—	—	—	—	10
Derricks	6	—	—	—	—	1	1	6
Steam shovels	3	1	—	—	—	—	—	4
Ditching plow	1	—	—	—	—	—	—	1
Plow	1	—	—	—	—	—	—	1
Pile drivers	2	—	—	—	—	—	—	2
Lidgerwood unloader	3	2	—	—	1	—	—	4
Dozer	2	—	—	—	—	—	—	2
Boarding (changed from passenger)	4	—	—	—	—	—	2	6
Dirt spreaders	—	—	2	—	—	—	—	2
Total	232	3	2	—	1	3	3	236
Floating Equipment—								
Transfer steamers	2	—	—	—	—	—	—	2

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Capacity of Equipment—Entire System.

Class.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Per cent.
Locomotives—				
Number	149	127		
Less condemned	1	1		
Total serviceable	148	126	22	17.46
Tractive power, in pounds	2,692,182	2,090,371	601,811	28.79
Average tractive power, in pounds, per locomotive	18,190	16,590	1,600	9.64
Freight cars—				
Number	6,627	5,766	861	14.93
Capacity, in tons of 2,000 pounds	162,120	137,720	24,400	17.72
Average capacity, in tons, per car	24.5	23.9	0.6	02.51

Average Number of Freight Cars per Mile of Road Operated—Entire System.

Class.	Year ended June 30, 1902.	Year ended June 30, 1901.	Year ended June 30, 1900.	Year ended June 30, 1899.
	Average no. miles operated, 1293.	Average no. miles operated, 1275.5.	Average no. miles operated, 1258.2.	Average no. miles operated, 1249.8.
Box cars (including furniture, refrigerator and stock cars)	4.43	3.78	3.50	3.19
All other freight cars (including cabooses)	0.76	0.79	0.83	0.98
Total	5.19	4.57	4.33	4.17

Maintenance of Equipment (Rolling Stock)—Entire System.

Average Number in Service and Total Cost of Repairs.

Class of Equipment.	Year ended June 30th, 1902.			Year ended June 30th, 1901.		
	Average no. in service.	Total cost repairs.	Average each.	Average no. in service.	Total cost repairs.	Average each.
Locomotives	146	$286,752 09	$1,964 06	131	$265,938 64	$2,030 07
Passenger cars	117	80,677 92	689 55	114	68,400 36	600 00
Freight and work cars	6,640	305,926 83	46 07	5,621	244,294 94	43 46
Total	—	$673,356 84	—	—	$578,633 94	—
Increase this year	—	$ 94,722 90	—	—	—	—

Average Cost Repairs per Locomotive and Car per Mile.

Class of Equipment.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Decrease.
Locomotives	$ 0.0558	$ 0.0503	$ 0.0055	—
Passenger cars	0.0118	0.0105	0.0013	—
Freight and work cars	0.0074	0.0062	0.0012	—

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CONCLUSION.

A table of mileage operated on June 30th, 1902, comparative statistical tables covering the operation of the line during the past ten years, income and financial exhibits, for each of the corporations forming the system, for the fiscal year ended June 30th, 1902, and an exhibit of hospital service for the year, will be found in the appendix to this report which follows these remarks.

The extension of new industries along the line has been marked by a number of important additions during the past year. The policy of the management to encourage and foster new enterprises desiring to locate in the territory adjacent to the railway has brought very satisfactory results. The adaptability of the country along the company's rails to the growth of vegetables and fruit is attracting much attention, and a largely increased acreage is noted; this output during the past year affording a gratifying addition to the general traffic movement of the company.

The general condition of business prevailing throughout the southwest is unusually good at the date of this report, and the prospects for an increased traffic movement during the ensuing fall and winter months are satisfactory. The present indications point to an average cotton crop during the coming season, which should result in a substantial gain in traffic over the last fiscal year, when the cotton crop was considerably below the average. The improved condition of the property, resulting from extensive work on roadway, and substantial additions to equipment, referred to elsewhere in this report, places the company in a better condition than ever before to economically handle an increased volume of traffic.

The thanks of the management are extended to the heads of the various departments, as well as to the rank and file of the employes of the company, for faithful and zealous service during the year.

Respectfully submitted,

F. H. BRITTON,

Vice-President and Gen'l Manager.

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APPENDIX.

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I.

MILES OPERATED.

Miles of Track Operated, June 30th, 1902—Entire System.

Description.	Main track.	Side track.	Total.
St. Louis Southwestern Ry. Co.—			
Main line	418.0	117.4	535.4
New Madrid branch	5.7	.5	6.2
Gray's Point branch	51.4	8.9	60.3
Stuttgart branch	34.8	.3	35.1
Little Rock branch	41.7	3.4	45.1
Shreveport branch	59.5	9.8	69.3
Gray's Point Terminal Ry. (leased)	16.4	8.6	25.0
Total	627.5	148.9	776.4
St. Louis S-W. Ry. Co. of Texas—			
Main line	304.6	68.3	372.9
Sherman branch	109.9	15.6	125.5
Ft. Worth branch	97.2	18.8	116.0
Hillsboro branch	40.0	5.7	45.7
Lufkin branch	88.6	9.8	98.4
Dallas branch (joint track with G., C. & S. F. Ry.)	25.2	—	25.2
Total	665.5	118.2	783.7
Entire System—			
Total miles of track June 30, 1902	1,293.0	267.1	1,560.1
Total miles of track June 30, 1901	1,293.0	248.2	1,541.2
Increase	—	18.9	18.9

MILES OF MAIN TRACK BY STATES.

Description.	Mo.	Ark.	La.	Texas.	Total.
St. L. S-W. Ry. Co.	143.3	448.4	35.8	—	627.5
St. L. S-W. Ry. Co. of Texas	—	—	—	665.5	665.5
Total	143.3	448.4	35.8	665.5	1,293.0

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Comparative Statistics.

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II.

Gross Earnings by Months.

For Ten Years Ended June 30th, 1902—Entire System.

Miles operated.	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2	1,275.5	1,293.0
Months.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1901.	Year ended June 30, 1902.
July	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16	$334,712 74	$369,205 97	$428,143 68	$467,835 32	$507,855 24
August	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69	415,233 20	455,693 45	481,368 19	561,062 44
September	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78	521,812 25	524,162 16	551,417 71	609,195 67
October	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82	666,456 12	601,597 45	771,703 77	774,743 00
November	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06	634,879 67	596,283 66	800,965 40	737,968 89
December	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56	632,023 29	617,045 70	796,708 23	658,007 27
January	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51	502,553 55	502,831 60	677,712 31	640,566 59
February	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78	387,111 35	449,697 22	616,629 56	550,858 09
March	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,072 18	469,746 25	471,580 35	621,437 31	603,826 93
April	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74	424,159 64	427,867 76	574,739 49	536,744 08
May	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87	435,308 03	413,091 82	531,668 01	573,356 58
June	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09	403,849 19	420,289 34	494,989 10	513,074 95
Total	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43	$5,279,332 82	$5,862,338 51	$5,908,284 19	$7,387,174 40	$7,267,259 73

III.

Operating Expenses (Including Betterments) by Months.

For Ten Years Ended June 30th, 1902—Entire System.

July	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90	$313,243 07	$341,212 51	$352,035 53	$337,397 52	$421,889 47
August	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44	336,652 05	360,363 32	341,349 31	322,957 04	496,850 21
September	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38	360,118 92	343,253 31	341,263 29	434,490 60
October	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49	411,010 17	380,097 89	388,133 68	461,605 42
November	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85	397,283 50	375,567 55	376,052 61	445,496 11
December	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30	371,400 52	372,354 10	397,794 84	433,858 80
January	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51	334,210 05	330,812 42	416,915 79	417,303 00
February	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81	299,970 99	313,338 66	382,238 84	411,018 30
March	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70	362,050 27	333,659 41	341,463 60	404,089 41	436,845 63
April	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77	321,665 95	339,116 67	424,867 88	407,655 54
May	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45	348,820 10	343,809 62	453,749 13	413,611 70
June	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67	329,372 71	322,874 10	387,432 03	392,441 95
Total	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24	$4,173,327 62	$4,209,088 15	$4,156,072 76	$4,632,892 06	$5,173,066 73
Per cent. of gross earnings	83.69	83.94	76.23	84.26	81.29	79.05	71.80	70.34	62.72	71.18

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IV.

Net Earnings by Months.

For Ten Years Ended June 30th, 1902—Entire System.

Miles operated.	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2	1,275.5	1,293.0
Months.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1901.	Year ended June 30, 1902.
July	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26	$ 21,469 67	$ 27,993 46	$ 76,108 15	$130,437 80	$ 85,965 77
August	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64	54,869 88	114,344 14	158,411 15	64,212 23
September	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40	161,693 33	180,908 85	210,154 42	174,705 07
October	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33	255,445 95	221,499 56	383,570 09	313,137 58
November	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36	203,521 21	237,596 17	220,716 11	424,912 79	292,472 78
December	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45	162,122 26	260,622 77	244,691 60	398,913 39	224,148 47
January	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00	168,343 50	172,019 18	260,796 52	223,263 59
February	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97	87,140 36	136,358 56	234,390 72	139,839 79
March	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34	58,021 91	136,086 84	130,116 75	217,347 90	166,981 30
April	8,155 87	785 25	15,258 33	12,914 05	23,294 44	**16,505 03**	102,493 69	88,751 09	149,871 61	129,088 54
May	5,467 54	5,801 77	16,451 75	**9,930 51**	7,136 10	7,255 42	86,487 93	69,282 20	77,918 88	159,744 88
June	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**	**5,874 58**	74,476 48	97,415 24	107,557 07	120,633 00
Total	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19	$1,106,005 20	$1,653,250 36	$1,752,211 43	$2,754,282 34	$2,094,193 00

Note.—Heavy-faced type denotes deficit.

V.

Betterments (included in Operating Expenses) by Months.

For Ten Years Ended June 30th, 1902—Entire System.

July	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38	$ 3,495 83	$ 22,197 00	$ 25,803 32	$30,684 67	$ 25,682 41
August	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	22,002 61	26,141 92	20,616 59	51,318 30
September	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04	19,441 51	28,087 95	21,936 65	27,301 89
October	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	15,419 25	27,847 85	21,766 17	27,950 11
November	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	14,515 35	18,766 15	19,091 21	3,690 30
December	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04	8,439 37	34,860 44	16,755 73	13,299 44
January	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67	2,848 44	—	18,015 36	23,534 52	—
February	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07	9,225 38	5,866 26	13,318 46	10,097 16	—
March	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11	12,464 27	17,433 75	17,044 64	13,027 11	—
April	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98	21,837 48	12,992 24	23,380 22	18,224 28	—
May	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46	31,333 77	21,603 69	27,981 59	33,342 06	—
June	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68	21,805 21	22,841 31	24,749 93	29,191 77	—
Total	$182,665 06	$113,547 81	$197,086 33	$210,894 92	$113,544 38	$132,809 88	$182,752 34	$285,997 83	$258,267 92	$149,242 45

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VI.

Summary of Net Income (Profit and Loss) Account.

For Ten Years Ended June 30th, 1902 — Entire System.

Fiscal year ended June 30.	Average miles operated.	Net earnings.	Taxes.	Surplus after paying taxes.	All other receipts.	Total income.	Charges. Interest and rentals. Fixed.	Charges. Interest and rentals. When earned.	Charges. Other charges, including equipment payments and reserve funds.	Charges. Total charges.	Balance. Surplus.	Balance. Deficit.
									Surplus July	1st, 1892 . .	$ 572,190 50	—
1893	1,223.0	$ 834,247 38	$ 109,650 06	$ 724,597 32	$ 69,135 93	$ 793,733 25	$ 800,000 00	—	a$ 370,104 28	$1,170,104 28	—	$ 376,371 03
1894	1,223.0	741,366 06	113,825 45	627,540 61	31,030 61	658,571 22	800,000 00	—	56,339 68	856,339 68	—	197,768 46
1895	1,223.0	1,239,953 48	117,729 01	1,122,224 47	b 307,236 69	1,429,461 16	800,000 00	—	96,212 20	896,212 20	533,248 96	—
1896	1,223.0	772,115 32	128,551 97	643,563 35	10,076 70	653,640 05	800,000 00	—	96,317 45	896,317 45	—	242,677 40
1897	1,223.0	887,658 19	121,485 44	766,172 75	3,584 17	769,756 92	800,000 00	—	92,676 30	892,676 30	—	122,919 38
1898	1,223.0	1,106,005 20	131,006 51	974,998 69	8,907 14	983,905 83	800,000 00	—	38,932 37	838,932 37	144,973 46	—
1899	1,249.8	1,653,250 36	133,494 85	1,519,755 51	c 565,054 55	2,084,810 06	809,887 50	f$180,000 00	53,082 04	1,042,969 54	1,041,840 52	—
1900	1,258.2	1,752,211 43	151,566 54	1,600,644 89	95,685 45	1,696,330 34	816,950 00	g 360,000 00	d 1,207,208 57	2,384,158 57	—	687,828 23
1901	1,275.5	2,754,282 34	155,771 20	2,598,511 14	e 852,195 27	3,450,706 41	816,950 00	h 580,000 00	i 1,799,852 36	3,196,802 36	253,904 05	—
1902	1,293.0	2,094,193 00	195,618 90	1,898,574 10	100,253 61	1.998,827 71	831,797 91	k 200,000 00	j 427,605 70	1,459,403 61	539,424 10	—
									Total		$ 3,085,581 59	$ 1,627,564 50
									Surplus June 30th, 1902 .		$ 1,458,017 09	—

Explanatory Notes.

a. Includes $329,987.02 balance of Receiver's liabilities paid, less Receiver's assets received for current fiscal year.
b. Includes $282,917.50 surplus securities received from Reorganization Committee.
c. Includes $480,597.50 net proceeds sale of $1,000,000.00 second mtg. income bond certificates (issued to provide for betterments charged against income).
d. Includes $956,088.16 transferred from "Cost of Road and Equipment" (for new equipment $930,950.92, right of way, etc., $25,137.24), representing net amount expended and charged to that account since the organization of the Company (June 1, 1891), to June 30, 1899, in excess of amount of bonds and stock issued; also $204,889.41 equipment payments for current fiscal year.
e. Includes $770,000.00 net proceeds sale of $1,000,000.00 second mtg. income bond certificates (issued to provide for betterments charged against income).
f. Interest earned (2%) on second mortgage income bond certificates during calendar year 1898.
g. Interest earned (4%) on second mortgage income bond certificates during calendar year 1899.
h. Interest earned (4%) on second mortgage income bond certificates during calendar year 1900 ($380,000.00)—paid; also interest earned (4%) during six months ended June 30, 1901 ($200,000.00)—payable January 1, 1902.
i. Includes $1,490,000.00 "General Improvement Fund" appropriation; also $258,825.21 equipment payments for current fiscal year.
j. Includes $385,412.90 equipment payments for current fiscal year.
k. Interest earned (4%) on second mortgage income bond certificates during six months ended December 31, 1901—payable July 1, 1902.

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VII.

Traffic Statistics.

For Ten Years Ended June 30th, 1902—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of revenue tons carried.	*Freight revenue.	Number of revenue tons carried one mile.	Freight train mileage, including ¾ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per revenue ton.	Average revenue per revenue ton per mile.	Average distance haul of one revenue ton (miles).	Average revenue per freight train mile.
1893	1,223.0	1,506,696	$3,988,319 72	329,183,200	2,180,373	$3,261 10	$2.6471	$0.0121	218.48	$1.8292
1894	1.223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932 01	358,109,737	2,169,415	3,384 25	2.3340	0.0116	201.94	1.9079
1899	1,249.8	1,887,609	4,619,985 26	380,660,588	2,103,430	3,696 58	2.4475	0.0121	201.66	2.1964
1900	1,258.2	2,101,048	4,594,855 26	412,395,505	1,962,864	3,651 93	2.1869	0.0111	196.28	2.3409
1901	1,275.5	2,399,171	5,652,872 51	468,837,265	2,210,014	4,431 89	2.3562	0.0121	195.42	2.5578
1902	1,293.0	2,586,387	5,555,726 90	514,942,815	2,193,332	4,296 77	2.1481	0.0108	199.10	2.5330

*Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VIII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	*Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1893	1,223.0	842,493	$ 879,526 52	35,019,502	1,279,192	$ 719 15	$1.0440	$0.0251	41.57	$0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121 45	37,153,691	1,477,639	698 38	1.0309	0.0230	44.84	0.5780
1899	1,249.8	899,048	910,867 27	38,373,916	1,483,845	728 81	1.0131	0.0237	42.68	0.6139
1900	1,258.2	994,503	1,013,026 96	41,908,926	1,483,203	805 14	1.0186	0.0242	42.14	0.6830
1901	1,275.5	1,281,928	1,400,712 70	57,983,590	1,619,600	1,098 17	1.0927	0.0242	45.23	0.8649
1902	1,293.0	1,236,335	1,364,434 90	58,073,255	1,637,838	1,055 25	1.1036	0.0235	46.97	0.8331

*Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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IX.

Train and Car Mileage Statistics

For Ten Years Ended June 30th, 1902—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average no. of cars in each freight train.			Average load of revenue tons.		Average no. of miles run per car per day.		
		Loaded.	Empty (includes caboose mileage).	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per loaded car.	Per train.	On this line. Home	On this line. Fr'gn	On f'r'gn lines. Home
1893	2,217,705	29,867,585	11,597,124	41,464,709	19,218,982	22,245,727	9,429,001	27.97	13.47	5.23	18.70	11.02	148.43	24	23	16
1894	1,858,914	24,831,907	10,225,871	35,057,778	22,137,184	12,920,594	9,602,422	29.16	13.36	5.50	18.86	11.36	151.79	24	19	20
1895	1,940,257	26,961,086	12,023,738	38,984,824	20,221,920	18,762,904	9,930,917	30.87	13.90	6.19	20.09	11.47	159.38	24	22	18
1896	1,987,431	26,700,735	12,481,485	39,182,220	18,982,235	20,199,985	11,541,435	31.85	13.43	6.29	19.72	11.72	157.49	24	25	19
1897	2,036,992	26,959,315	13,443,936	40,403,251	19,277,984	21,125,267	11,707,875	33.27	13.23	6.60	19.83	12.07	159.73	24	26	20
1898	2,187,854	29,095,070	14,483,480	43,578,550	20,195,428	23,383,122	11,945,326	33.24	13.30	6.62	19.92	12.31	163.68	25	23	18
1899	2,121,358	30,379,865	12,716,314	43,096,179	23,261,396	19,834,783	17,254,603	29.51	14.32	5.99	20.31	12.53	179.44	25	24	21
1900	1,983,970	30,252,077	11,969,116	42,221,193	22,554,311	19,666,882	18,024,830	28.34	15.25	6.03	21.28	13.63	207.86	25	25	20
1901	2,232,690	33,305,204	14,272,742	47,577 946	23,648,824	23,929,122	15,543,503	30.00	14.92	6.39	21.31	14.08	209.99	21	22	20
1902	2,218,851	33,710,724	14,186,690	47,897,414	24,281,405	23,616,009	16,950,330	29.62	15.19	6.39	21.58	15.28	232.08	21	22	18

NOTE.—Effective July 1st, 1900, mileage of cabooses is treated as empty car mileage, in compliance with established rules of the Interstate Commerce and State Railroad Commissions. For purposes of comparison, loaded and empty car mileage, and the averages based thereon for the fiscal years ended June 30th, 1892 to 1900, inclusive, have been changed accordingly.

X.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average no. of cars moved in each passenger train.	Average no. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111
1899	1,465,917	5,475,881	1,121,766	6,597,647	4.29	163	110
1900	1,462,097	5,654,169	1,035,560	6,689,729	4.33	167	129
1901	1,596.924	6,501,485	1,464,417	7,965,902	4.72	175	108
1902	1,612,319	6,816,618	1,441,262	8,257,880	4.82	176	123

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Income and Financial Exhibits.

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1902.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 615,227 93		Freight	$3,516,373 49	
Maintenance of equipment	465,496 23		Passenger	714,920 45	
Conducting transportation	1,471,802 03		Mail	96,679 55	
General expenses	226,871 61	$2,779,397 80	Express	48,109 88	
Net earnings		1,617,784 75	Telegraph	3,649 16	
			Miscellaneous	17,450 02	$4,397,182 55
		$4,397,182 55			$4,397,182 55
To Accrued interest on first mortgage bonds		$ 800,000 00	By Net earnings brought down		$1,617,784 75
Accrued interest on first consolidated mortgage bonds		14,847 91	Interest on bonds owned—		
Taxes accrued		126,253 56	St. L. S-W. Ry. Co. of Texas, first mortgage, $9,445,000.00 @ 4%		377,800 00
Equipment payments		188,198 62	Tyler Southeastern Ry. Co., first mortgage, $660,000.00 @ 4%		26,400 00
Rental of leased lines—Gray's Point Terminal Ry		16,950 00	Other bonds owned—(see exhibit G, page 23)		7,635 00
Sundry amounts		20,145 46	Trackage rentals		3,960 00
Surplus income for fiscal year ended June 30th, 1902, carried to credit of profit and loss account		934,551 65	All other receipts		67,367 45
Total		$2,100,947 20	Total		$2,100,947 20

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1902.

To Interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1901		$3,504,262 76
Six months ended December 31st, 1901, full interest (4%), payable July 1st, 1902	$ 200,000 00	Surplus income from operation for fiscal year ended June 30th, 1902, brought down		934,551 65
Balance to credit of profit and loss account, June 30th, 1902	4,250,049 33	Interest received on second mortgage income bond certificates, surrendered in exchange for first consolidated mortgage bonds		11,234 92
Total	$4,450,049 33	Total		$4,450,049 33

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XII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1902.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$49,159,750 00	+$ 567,250 00
Gray's Point Terminal Ry. leasehold		339,000 00	—
Bonds and stocks owned—			
Deposited as security for issues of 1st mortgage and 2d mortgage income bond certificates—			
With Central Trust Co., Trustee:			
Capital stock, St. L. S-W. Ry. Co. of Tex. and Tyler S-E. Ry. Co.	$ 2,750,000 00	—	—
1st mtg. bonds St. L. S-W. Ry. Co. of Tex. and Tyler S-E. Ry. Co.	10,105,000 00	—	—
With Mercantile Tr. Co., Trustee:			
2d mortgage income bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	5,052,500 00	—	—
Deposited as security for issue of 1st consolidated mtg. bonds—			
With Bowling Green Trust Co., Trustee:			
2d mtg. income bond certificates, St. L. S-W. Ry. Co.	6,727,500 00	—	+ 6,727,500 00
Held in Company's Treasury: (see exhibit L, page 25)	393,539 21	—	+ 27,000 00
		$25,028,539 21	—
Other permanent investments		31,991 92	+ 39 04
Trust equipment—unpaid balance		1,632,200 41	+ 873,952 14
Current assets—			
Cash	$5,785,372 14	—	+ 3,955,668 80
Sundry accounts collectible	220,551 95	—	- 314,951 14
Sundry advances (to be accounted for)	617,465 77	—	+ 481,716 26
Prepaid insurance	6,386 25	—	+ 1,398 61
	$6,629,776 11	—	—
Supplies on hand	325,513 44	—	- 18,116 54
		6,955,289 55	—
St. Louis Southwestern Ry. Co. of Texas, general account		3,095,821 55	+ 317,574 95
Total		$86,242,592 64	+$12,619,032 12

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt—			
* 1st mortgage bonds (4%)	$20,000,000 00	—	—
1st cons'd mtg. bonds (4%)	12,054,750 00	—	+$12,054,750 00
† 2d mortgage income bonds (4%, if earned)	10,000,000 00	—	—
1st mortgage bonds (5%), Gray's Point Terminal Ry. Co. (guaranteed)	339,000 00	—	—
		42,393,750 00	—
Equipment trust obligations		1,711,335 77	+ 832,556 50
Current liabilities—			
Interest on bonds—due and accrued	$ 417,426 04	—	- 170,300 72
Sundry accounts payable	448,018 00	—	- 5,201 78
Reserve funds	522,013 50	—	- 838,558 45
		1,387,457 54	—
Balance to credit of profit and loss account, June 30th, 1902, as per detailed exhibit on preceding page		4,250,049 33	+ 745,786 57
Total		$86,242,592 64	+$12,619,032 12

*Secured by first mortgage lien on St. L. S-W. Ry., $9,895,000, first mortgage bond of St. L. S-W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S-E. Ry. Co., $660,000.

†Secured by second mortgage lien on St. L. S-W. Ry., $4,947,500, second mortgage income bond of St. L. S-W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S-E. Ry. Co., $330,000.

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **INCOME ACCOUNT.** YEAR ENDED JUNE 30TH, 1902.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 742,704 44		Freight	$2,039,353 41	
Maintenance of equipment	354,092 16		Passenger	649,514 45	
Conducting transportation	1,164,919 17		Mail	80,097 52	
General expenses	131,953 16	$2,393,668 93	Express	47,423 49	
			Telegraph	2,707 03	
Net earnings		476,408 25	Miscellaneous	50,981 28	$2,870,077 18
		$2,870,077 18			$2,870,077 18
To Accrued interest on first mortgage bonds		$ 404,200 00	By Net earnings brought down		$ 476,408 25
Taxes accrued		69,365 34	All other receipts		10,056 24
Equipment payments		197,214 28			
Sundry amounts		22,047 34	*Deficit for fiscal year ended June 30th, 1902, carried to debit of profit and loss account*		206,362 47
Total		$ 692,826 96	Total		$ 692,826 96

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1902.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1901	$2,585,669 77	*By Balance to debit of profit and loss account, June 30th, 1902*	$2,792,032 24
Deficit from operation for fiscal year ended June 30th, 1902, as per foregoing statement	206,362 47		
Total	$2,792,032 24	Total	$2,792,032 24

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XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1902.

ASSETS.		Total.	+ Increase. - Decrease. This year.	LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$17,907,500 00	—	Capital stock—			
Trust equipment—unpaid balance		25,102 10	- $ 20,654 30	*Common		$ 2,750,000 00	—
Current assets—				Funded debt—			
Cash	$ 96,064 42	—	- 3,424 14	*1st mortgage bonds (4%)	$10,105,000 00	—	—
Sundry accounts collectible	132,143 79	—	+ 104,329 87	*2nd mortgage income bonds (4%, if earned)	5,052,500 00	—	—
Sundry advances (to be accounted for)	153,642 79	—	+ 139,774 22			15,157,500 00	—
Prepaid insurance	5,927 45	—	+ 1,245 12				
	$387,778 45	—	—				
Supplies on hand	181,753 51	—	- 101,684 83	Equipment trust obligations		25,102 10	- $ 20,654 30
		569,531 96	—				
Balance to debit of profit and loss account, June 30th, 1902, as per detailed exhibit on preceding page		2,792,032 24	+ 206,362 47	Current liabilities—			
				Sundry accounts payable	$ 252,026 92	—	+ 20,972 49
				Hospital fund	13,715 73	—	+ 8,055 27
						265,742 65	—
				St. Louis Southwestern Ry. Co., general account		3,095,821 55	+ 317,574 95
Total		$21,294,166 30	+$325,948 41	Total		$21,294,166 30	+$325,948 41

* Includes T. S-E. Ry.'s Capital liabilities assumed, viz.: Capital stock, $250,000.00; Bonds, first morgtage, $660,000.00, second mortgage, $330,000.00.

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XV.

HOSPITAL SERVICE—ENTIRE SYSTEM.

SERVICE PERFORMED.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Decrease.
Patients in hospital at the beginning of year	75	42	33	—
Patients admitted during the year	2,864	1,546	1,318	—
Total	2,939	1,588	1,351	—
Number discharged	2,834	1,502	1,332	—
Number of deaths	23	11	12	—
Patients remaining in hospital at the close of year .	82	75	7	—
Total	2,939	1,588	1,351	—
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco, Commerce and Tyler	8,558	8,400	158	—
Total number of employes receiving hospital benefits	11,497	9,988	1,509	—
Per cent. of deaths to number of cases treated in hospital	0.8	0.7	0.1	—
FINANCIAL STATEMENT.				
Balance at beginning of fiscal year	$ 5,660 46	$ 1,380 71	$ 4,279 75	—
Receipts from assessments .	35,568 91	27,676 30	7,892 61	—
Total	$41,229 37	$29,057 01	$12,172 36	—
Disbursements	27,513 64	23,396 55	4,117 09	—
Balance at close of fiscal year	$13,715 73	$ 5,660 46	$ 8,055 27	—

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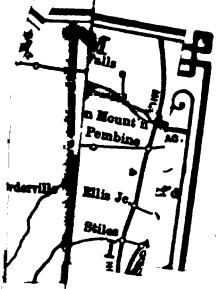

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P Post. Sept 21. 1901

St. Louis Southwestern Income Interest Declared.

The St. Louis Southwestern Railway directors to-day declared 2 per cent. interest, for the last half-year, on the second mortgage bonds, this interest having not only been earned and set aside in the last fiscal year, but the semi-annual interest for the second half of the year as well. At to-day's meeting, the directors reëlected the former officers. Times 2.7.02.

TO THE HOLDERS OF THE

Second Mortgage Gold Income Bond Certificates

OF THE

St. Louis Southwestern Railway Company,

Secured by the Mortgage of February 12, 1891, to the Mercantile Trust Company, as Trustee.

The St. Louis Southwestern Railway Company proposes:

(1) To finance the purchase for the system of certain branch lines and securities of other companies already acquired or in process of acquisition.

(2) To provide for existing equipment obligations and for expenditures already authorized for further equipment.

(3) To make additional improvements and renewals of roadbed and property which are required to provide for increasing traffic.

(4) To provide definite resources for such further construction, acquisitions, and equipment of lines as may be found necessary in the protection or extension of tributary territory and the business of the system.

The requirements for the present purposes above indicated (Sub-divisions 1, 2, and 3,) are estimated to be in the neighborhood of $6,000,000, and it is considered that an available resource of at least $10,000,000 additional should be constituted for the future purposes specified in Sub-division 4.

The Company's First Mortgage Certificates ($20,000,000) and its Second Mortgage Income Certificates ($10,000,000) are not subject to increase, and are already outstanding in the amounts limited by the Indentures securing them.

Under the present limitation of the Company's resources for capital expenditures the purchase of needed additional equipment involves a necessary increase in the amount which is chargeable against income in determining net earnings applicable to payment of interest on the Second Mortgage Income Certificates, and construction and acquisition of new lines and property (except in the event of the merger of liens hereinafter proposed) must be financed largely upon the basis of the independent security thus produced or acquired.

Under these conditions and to the end that the Company may raise the money required for the above specified purposes, upon terms the most favorable to the Company and its security holders, it is deemed proper and in the best interest of the holders of its Second Mortgage Income Certificates to offer to said holders an opportunity to co-operate so as to enable a merger or a substantial unification of their security with that now and hereafter independently available to the Company in carrying out the foregoing purposes.

In determining the nature of the new security and the extent and character of the lien protecting the same, the action of the Directors and Stockholders must be guided by the extent of co-operation on the part of the holders of the Second Mortgage Income Certificates.

The railway company accordingly requests the holders of its Second Mortgage Income Bond Certificates to deposit their Certificates with The Mercantile Trust Company, No. 120 Broadway, New York City. The Trust Company will receive such deposits up to and including March 10th, 1902, upon the condition that all deposited Certificates may, upon direction of the Railway Company and upon advertised notice, be returned to the holders of Deposit Receipts upon surrender thereof without charge at any time before May 31st, 1902, and that if such Certificates are not then or theretofore so returned the holders of deposit receipts shall have the right, upon similar notice and upon surrender of their deposit receipts, to receive new securities or rights, or both, when and upon the conditions offered by the railway company to all depositors alike, or at their option, to sell their certificates for cash at eighty per cent. of their par value with accrued interest. The acceptance of any Certificates and the terms upon which they will be received (if at all) after March 10th, 1902, will rest exclusively in the discretion of the railway company.

Depositors will receive from the Mercantile Trust Company negotiable Deposit Receipts which shall state that they are issued upon the terms and conditions of this notice. Application will be made for the listing of the Deposit Receipts on the New York Stock Exchange.

Dated New York, February 6th, 1902.

ST. LOUIS SOUTHWESTERN RAILWAY CO.

By **EDWIN GOULD**, President.

Referring to the above notice and in accordance with the request of the holders of a large amount of the Second Mortgage Income Certificates which have already been deposited, the undersigned will receive deposits of such Certificates up to and including MARCH 10TH, 1902, on the terms and conditions of the foregoing notice of the St. Louis Southwestern Railway Company and will issue temporary receipts (exchangeable for engraved receipts when completed) against such deposits as in said notice indicated.

New York, February 6th, 1902.

THE MERCANTILE TRUST COMPANY,

By **LOUIS FITZGERALD**, President.

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Times 3/14/02.

TO THE HOLDERS OF THE

Second Mortgage Gold Income Bond Certificates

OF

St. Louis Southwestern Railway Company.

Referring to the published notice of St. Louis Southwestern Railway Company dated February 6, 1902, requesting the holders of its Second Mortgage Gold Income Bond Certificates to deposit their certificates with The Mercantile Trust Company, No. 120 Broadway, New York City, upon the condition that all deposited certificates might, upon direction of the Railway Company and upon advertised notice, be returned to the holders of Deposit Receipts at any time before May 31st, 1902, and that if such certificates were not then or theretofore so returned the holders of Deposit Receipts should have the right upon similar notice and upon surrender of their Deposit Receipts, to receive new securities or rights, or both, when and upon the conditions offered by the Railway Company to all depositors alike, or at their option to sell their certificates for cash at Eighty per cent. of their par value with accrued interest:

Further notice is hereby given that more than a majority of the outstanding Second Mortgage Gold Income Bond Certificates of the Railway Company **having been deposited** under the terms and provisions of said notice, the undersigned Railway Company has decided **to extend the time** within which deposits of said certificates in the manner and upon the terms and conditions set forth in said published notice will be received **until and including March 27th, 1902.**

Engraved deposit receipts of the Trust Company in negotiable form are now ready for delivery at the office of The Mercantile Trust Company, No. 120 Broadway, New York City, to depositors of Second Mortgage Gold Income Bond Certificates of the Railway Company in exchange for the temporary receipts of the Trust Company, and application will be made at the earliest practicable date to list the Engraved Deposit Receipts on the New York Stock Exchange.

Second Mortgage Income Bond Certificates not deposited on or before March 27th, 1902, will be received (if at all) only upon such terms and conditions as the Railway Company may prescribe.

Dated New York, March 13, 1902.

ST. LOUIS SOUTHWESTERN RAILWAY CO.

By **EDWIN GOULD, President.**

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THE NEW YORK NEWS BUREAU.
54 Broad St—Tel 3383 Broad—Fri., Mch. 21, '02—No. 52

ST. LOUIS SOUTHWESTERN.

A special meeting of the stockholders of the St. Louis Southwestern Railway Co. has been called for St. Louis on May 24 to consider the following proposals:

1. To increase the common capital stock of the company by the amount of $18,500,000, such increase to consist of 185,000 shares, of the par value of $100 each.

2. To increase the bonded indebtedness of the company by the amount of $25,000,000 by the issue of the bonds of the company to said amount for the purposes of acquiring all or any part of the outstanding second mortgage gold income bond certificates of the company and its equipment obligations and of making provision for the purchase of additional equipment and the construction or acquisition of branches and extensions of the railroad of the system and for the acquisition of the obligations and stock or any part thereof of other companies and to provide for the permanent improvement and betterment of the property of the company and to authorize the execution of a mortgage or deed of trust securing said bonds.

3. To approve and ratify the purchase by the company of the railroad and property formerly belonging to the Stuttgart & Arkansas River Railroad Co.

4. To act upon the several resolutions of the board of directors in the premises adopted at a meeting of said board held on Mch. 12 and any other matters which may properly come before the meeting.

The books for the transfer of stock, both common and preferred, will be closed for the purpose of the meeting at the close of business on Apr. 19, and will be re-opened on May 26.

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Post. Ap. 14. 1902.

TO THE HOLDERS OF

Deposit receipts of the Mercantile Trust Company,

Issued under the published notices of

St. Louis Southwestern Railway Company,

Dated February 6, 1902, and March 13, 1902:

Referring to the published notices dated February 6th, 1902, and March 13th, 1902, respectively, of St. Louis Southwestern Railway Company, addressed to the holders of its Second Mortgage Gold Income Bond Certificates, the Railway Company now announces, in view of the deposit of more than two-thirds of said certificates under the terms and provisions of said notices, that it proposes (subject to the authorization and approval of its stockholders) to create an issue of $25,000,000 of Thirty-Year Four Per Cent. Gold Bonds to finance the purchase for the system of certain branch lines and securities of other companies already acquired or in process of acquisition; to acquire and fund existing equipment obligations now outstanding, and to purchase further equipment; to make improvements and betterments upon and renewals of roadbed and property; to acquire or construct and equip extensions and branches of the railways of the system at a rate not exceeding $20,000 par value, of such bonds, for each mile of railroad so constructed or acquired, upon which the new mortgage shall become a first lien directly or by pledge of the bonds or stock representing lien and ownership; to acquire all or any part of the outstanding Second Mortgage Gold Income Bond Certificates of the company; and for other corporate purposes. The new bonds are to be secured by a mortgage (subject to existing mortgages) on all the railroads, terminals, equipment, and property owned by the company and covering as a first and only lien all bonds, stocks, and other securities and all the Second Mortgage Gold Income Bond Certificates and Equipment Obligations of the company acquired by the use of the new bonds or their proceeds, and all additions, extensions, and branches so constructed or acquired.

Holders of Deposit Receipts of The Mercantile Trust Company issued under the terms and provisions of the above-mentioned notices will be entitled, upon the due authorization of the proposed mortgage by the stockholders at a special meeting already called for that purpose, and upon the issue of the bonds secured by said mortgage prior to July 1, 1902, and upon surrender of said Deposit Receipts, to receive an amount of the new bonds equal at par to 90% of the par amount of the deposited Second Mortgage Income Bond Certificates and in addition will receive a subscription warrant in assignable form entitling the holder thereof to subscribe for $600, par value, of the additional new bonds at a price equal to 90% of their par value and interest in respect of each $1,000, par value, of said Deposit Receipts, such subscription being payable as the Railway Company may prescribe. Holders of Deposit Receipts may at the time of the surrender thereof as aforesaid sell the deposited certificates represented thereby for cash at eighty per cent. of their par value with accrued interest, such price to be payable at the office of The Mercantile Trust Company at the time of the issue of the new bonds. Interest upon the new bonds will accrue from June 1, 1902, and accrued interest upon the deposited certificates exchanged for the new bonds will be adjusted in cash to that date. Messrs. Kuhn, Loeb & Co. have formed a Syndicate which has agreed to purchase such of the new bonds as may not be subscribed by the holders of Income Certificates as well as such of said deposited certificates as the holders of Deposit Receipts therefor shall elect to sell for cash which said Certificates so purchased are to be exchanged by said Syndicate for new bonds at the rate of exchange hereinbefore stated.

All Second Mortgage Income Bond Certificates and all Equipment Obligations of the company deposited under the new mortgage are to be kept alive pending the complete acquisition of said Second Mortgage Income Bond Certificates and are to be held for the benefit and security of the holders of the new bonds.

In case the new mortgage should not be authorized and executed and the new bonds thereunder be ready for delivery to the holders of said Deposit Receipts prior to July 1, 1902, the Deposited Certificates are to be returned without charge to the holders of Deposit Receipts upon surrender thereof.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

By EDWIN GOULD, President.

New York, April 12, 1902.

Times Ap 25. 1902

St. Louis Southwestern Railway Company.

New York, April 24th, 1902.

NOTICE IS HEREBY GIVEN that the engraved Deposit Receipts of The Mercantile Trust Company representing Second Mortgage Gold Income Bond Certificates of St. Louis Southwestern Railway Company, deposited with said Trust Company under the terms of the published notice of the Railway Company dated February 6th, 1902, **have been listed on the New York Stock Exchange,** and that in order to comply with the regulations and requirements of said Exchange **holders of said Second Mortgage Income Bond Certificates** who have not heretofore deposited the same **may deposit their said certificates** with The Mercantile Trust Company **on or before May 3rd, 1902,** upon the terms and conditions mentioned in said published notice of the Railway Company dated February 6th, 1902.

ST. LOUIS SOUTHWESTERN RAILWAY CO.,

By EDWIN GOULD, President.

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Times May 27. 1902.

TO HOLDERS OF DEPOSIT RECEIPTS
Of the Mercantile Trust Company Issued
for Second Mortgage Income Bond
Certificates of

St. Louis Southwestern Railway Company:

Notice is hereby given that the new mortgage of St. Louis Southwestern Railway Company, referred to in the published notice of said Company dated April 12th, 1902, has been authorized by the Stockholders of said Company.

Under the terms of said notice holders of Deposit Receipts are entitled to receive in exchange therefor an amount of the new bonds of the Railway Company equal at par to 90% of the par amount of the Second Mortgage Income Bond Certificates represented by said Deposit Receipts, together with cash for accrued interest upon such certificates, or may sell the Certificates represented by their Deposit Receipts for cash at 80% of their par value, with accrued interest. Holders of Deposit Receipts are also entitled to receive a subscription warrant in negotiable form entitling the holder thereof to subscribe for $600, par value, of the new bonds, at a price equal to 90% of their par value and interest, in respect of each $1,000 of said Deposit Receipts.

Holders of Deposit Receipts are hereby notified to **present the same at the office of The Mercantile Trust Company, No. 120 Broadway, New York City, on or before June 4th, 1902,** and at the time of such presentation must indicate whether they elect to exchange the same for new bonds or to sell the deposited certificates represented thereby for cash as aforesaid, and the Deposit Receipts will be stamped accordingly. At the same time such holders of Deposit Receipts will receive the subscription warrants above mentioned. The new bonds issuable in exchange for the Deposit Receipts, (or interim certificates representing the same,) will be ready for delivery at the office of The Mercantile Trust Company **on and after June 16th, 1902,** to holders of Deposit Receipts who have elected to make such exchange, upon surrender of said Receipts, and at the same time holders of Deposit Receipts who have elected to sell the Certificates represented thereby will receive, upon surrender of their Deposit Receipts, an appropriate amount in cash. Holders of subscription warrants may subscribe for the new bonds upon surrender of the warrants, at the office of The Mercantile Trust Company on or before June 16th, 1902, and the bonds so subscribed, (or interim certificates representing the same,) will be deliverable at the office of the Trust Company on and after that date. The total amount of the subscription for the new bonds, namely, $900 for each $1,000, par value thereof, with interest, is payable in cash at the time of the making of said subscription.

The right to make the subscription above mentioned will expire on June 16th, 1902, and the right to elect to sell the certificates represented by the deposit receipts will expire on June 4th, 1902.

Bond scrip, convertible in sums of $1,000 into the New bonds, but bearing no interest, will be deliverable in adjustment of fractional amounts, and holders of Deposit Receipts entitled to fractions of a bond may, at the time of the surrender of said Receipts, purchase, at the same rate, such additional amounts of bond scrip as may be necessary to entitle them to an entire bond.

Dated New York, May 26th, 1902.

St. Louis Southwestern Railway Company,
By **EDWIN GOULD,** President.

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CONCLUSION.

A table of mileage operated on June 30th, 1902, comparative statistical tables covering the operation of the line during the past ten years, income and financial exhibits, for each of the corporations forming the system, for the fiscal year ended June 30th, 1902, and an exhibit of hospital service for the year, will be found in the appendix to this report which follows these remarks.

The extension of new industries along the line has been marked by a number of important additions during the past year. The policy of the management to encourage and foster new enterprises desiring to locate in the territory adjacent to the railway has brought very satisfactory results. The adaptability of the country along the company's rails to the growth of vegetables and fruit is attracting much attention, and a largely increased acreage is noted; this output during the past year affording a gratifying addition to the general traffic movement of the company.

The general condition of business prevailing throughout the southwest is unusually good at the date of this report, and the prospects for an increased traffic movement during the ensuing fall and winter months are satisfactory. The present indications point to an average cotton crop during the coming season, which should result in a substantial gain in traffic over the last fiscal year, when the cotton crop was considerably below the average. The improved condition of the property, resulting from extensive work on roadway, and substantial additions to equipment, referred to elsewhere in this report, places the company in a better condition than ever before to economically handle an increased volume of traffic.

The thanks of the management are extended to the heads of the various departments, as well as to the rank and file of the employes of the company, for faithful and zealous service during the year.

Respectfully submitted,

F. H. BRITTON,

Vice-President and Gen'l Manager.

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APPENDIX.

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I.

MILES OPERATED.

Miles of Track Operated, June 30th, 1902—Entire System.

Description.	Main track.	Side track.	Total.
St. Louis Southwestern Ry. Co.—			
Main line	418.0	117.4	535.4
New Madrid branch	5.7	.5	6.2
Gray's Point branch	51.4	8.9	60.3
Stuttgart branch	34.8	.3	35.1
Little Rock branch	41.7	3.4	45.1
Shreveport branch	59.5	9.8	69.3
Gray's Point Terminal Ry. (leased)	16.4	8.6	25.0
Total	627.5	148.9	776.4
St. Louis S-W. Ry. Co. of Texas—			
Main line	304.6	68.3	372.9
Sherman branch	109.9	15.6	125.5
Ft. Worth branch	97.2	18.8	116.0
Hillsboro branch	40.0	5.7	45.7
Lufkin branch	88.6	9.8	98.4
Dallas branch (joint track with G., C. & S. F. Ry.)	25.2	—	25.2
Total	665.5	118.2	783.7
Entire System—			
Total miles of track June 30, 1902	1,293.0	267.1	1,560.1
Total miles of track June 30, 1901	1,293.0	248.2	1,541.2
Increase	—	18.9	18.9

MILES OF MAIN TRACK BY STATES.

Description.	Mo.	Ark.	La.	Texas.	Total.
St. L. S-W. Ry. Co.	143.3	448.4	35.8	—	627.5
St. L. S-W. Ry. Co. of Texas	—	—	—	665.5	665.5
Total	143.3	448.4	35.8	665.5	1,293.0

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Comparative Statistics.

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II.

Gross Earnings by Months.

For Ten Years Ended June 30th, 1902—Entire System.

Miles operated.	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2	1,275.5	1,293.0
Months.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1901.	Year ended June 30, 1902.
July	$354,601 61	$320,026 35	$275,797 70	$321,298 23	$340,513 16	$334,712 74	$369,205 97	$428,143 68	$467,835 32	$507,855 24
August	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69	415,233 20	455,693 45	481,368 19	561,062 44
September	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78	521,812 25	524,162 16	551,417 71	609,195 67
October	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82	666,456 12	601,597 45	771,703 77	774,743 00
November	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06	634,879 67	596,283 66	800,965 40	737,968 89
December	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56	632,023 29	617,045 70	796,708 23	658,007 27
January	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51	502,553 55	502,831 60	677,712 31	640,566 59
February	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78	387,111 35	449,697 22	616,629 56	550,858 09
March	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,072 18	469,746 25	471,580 35	621,437 31	603,826 93
April	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74	424,159 64	427,867 76	574,739 49	536,744 08
May	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87	435,308 03	413,091 82	531,668 01	573,356 58
June	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09	403,849 19	420,289 34	494,989 10	513,074 95
Total	$5,116,080 25	$4,615,144 20	$5,217,174 57	$4,904,489 86	$4,743,546 43	$5,279,332 82	$5,862,338 51	$5,908,284 19	$7,387,174 40	$7,267,259 73

III.

Operating Expenses (Including Betterments) by Months.

For Ten Years Ended June 30th, 1902—Entire System.

July	$321,182 48	$326,265 30	$251,416 72	$330,765 80	$310,158 90	$313,243 07	$341,212 51	$352,035 53	$337,397 52	$421,889 47
August	329,611 80	296,018 35	293,206 49	369,288 20	305,686 44	336,652 05	360,363 32	341,349 31	322,957 04	496,850 21
September	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38	360,118 92	343,253 31	341,263 29	434,490 60
October	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49	411,010 17	380,097 89	388,133 68	461,605 42
November	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85	397,283 50	375,567 55	376,052 61	445,496 11
December	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30	371,400 52	372,354 10	397,794 84	433,858 80
January	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51	334,210 05	330,812 42	416,915 79	417,303 00
February	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81	299,970 99	313,338 66	382,238 84	411,018 30
March	382,773 61	306,640 07	317,689 28	334,372 02	308,081 70	362,050 27	333,659 41	341,463 60	404,089 41	436,845 63
April	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77	321,665 95	339,116 67	424,867 88	407,655 54
May	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45	348,820 10	343,809 62	453,749 13	413,611 70
June	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67	329,372 71	322,874 10	387,432 03	392,441 95
Total	$4,281,832 87	$3,873,778 14	$3,977,221 09	$4,132,374 54	$3,855,888 24	$4,173,327 62	$4,209,088 15	$4,156,072 76	$4,632,892 06	$5,173,066 73
Per cent. of gross earnings	83.69	83.94	76.23	84.26	81.29	79.05	71.80	70.34	62.72	71.18

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IV.

Net Earnings by Months.

For Ten Years Ended June 30th, 1902—Entire System.

Miles operated.	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8	1,258.2	1,275.5	1,293.0
Months.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1900.	Year ended June 30, 1901.	Year ended June 30, 1902.
July	$ 33,419 13	**$ 6,238 95**	$ 24,380 98	**$ 9,467 57**	$ 30,354 26	$ 21,469 67	$ 27,993 46	$ 76,108 15	$130,437 80	$ 85,965 77
August	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64	54,869 88	114,344 14	158,411 15	64,212 23
September . . .	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40	161,693 33	180,908 85	210,154 42	174,705 07
October	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33	255,445 95	221,499 56	383,570 09	313,137 58
November . . .	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36	203,521 21	237,596 17	220,716 11	424,912 79	292,472 78
December . . .	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45	162,122 26	260,622 77	244,691 60	398,913 39	224,148 47
January	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00	168,343 50	172,019 18	260,796 52	223,263 59
February	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97	87,140 36	136,358 56	234,390 72	139,839 79
March	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34	58,021 91	136,086 84	130,116 75	217,347 90	166,981 30
April	8,155 87	785 25	15,258 33	12,914 05	23,294 44	**16,505 03**	102,493 69	88,751 09	149,871 61	129,088 54
May	5,467 54	5,801 77	16,451 75	**9,930 51**	7,136 10	7,255 42	86,487 93	69,282 20	77,918 88	159,744 88
June	840 57	8,483 95	**17,022 44**	19,058 94	**2,498 21**	**5,874 58**	74,476 48	97,415 24	107,557 07	120,633 00
Total . . .	$834,247 38	$741,366 06	$1,239,953 48	$772,115 32	$887,658 19	$1,106,005 20	$1,653,250 36	$1,752,211 43	$2,754,282 34	$2,094,193 00

Note.—Heavy-faced type denotes deficit.

V.

Betterments (included in Operating Expenses) by Months.

For Ten Years Ended June 30th, 1902—Entire System.

July	$ 5,821 59	$ 12,449 74	$ 2,470 35	$ 17,897 02	$ 11,955 38	$ 3,495 83	$ 22,197 00	$ 25,803 32	$30,684 67	$ 25,682 41
August	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	22,002 61	26,141 92	20,616 59	51,318 30
September . . .	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04	19,441 51	28,087 95	21,936 65	27,301 89
October	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	15,419 25	27,847 85	21,766 17	27,950 11
November . . .	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	14,515 35	18,766 15	19,091 21	3,690 30
December . . .	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04	8,439 37	34,860 44	16,755 73	13,299 44
January	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67	2,848 44	—	18,015 36	23,534 52	—
February	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07	9,225 38	5,866 26	13,318 46	10,097 16	—
March	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11	12,464 27	17,433 75	17,044 64	13,027 11	—
April	20,535 85	11,219 94	15,610 74	11,428 39	4,941 98	21,837 48	12,992 24	23,380 22	18,224 28	—
May	10,412 92	6,536 75	20,191 98	6,886 82	10,660 46	31,333 77	21,603 69	27,981 59	33,342 06	—
June	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68	21,805 21	22,841 31	24,749 93	29,191 77	—
Total . . .	$182,665 06	$113,547 81	$197,086 33	$210,894 92	$113,544 38	$132,809 88	$182,752 34	$285,997 83	$258,267 92	$149,242 45

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VI.

Summary of Net Income (Profit and Loss) Account.

For Ten Years Ended June 30th, 1902—Entire System.

Fiscal year ended June 30.	Average miles operated.	Net earnings.	Taxes.	Surplus after paying taxes.	All other receipts.	Total income.	Charges. Interest and rentals. Fixed.	Charges. Interest and rentals. When earned.	Charges. Other charges, including equipment payments and reserve funds.	Total charges.	Balance. Surplus.	Balance. Deficit.
									Surplus July 1st, 1892 . .		$ 572,190 50	—
1893	1,223.0	$ 834,247 38	$ 109,650 06	$ 724,597 32	$ 69,135 93	$ 793,733 25	$ 800,000 00	—	a$ 370,104 28	$1,170,104 28	—	$ 376,371 03
1894	1,223.0	741,366 06	113,825 45	627,540 61	31,030 61	658,571 22	800,000 00	—	56,339 68	856,339 68	—	197,768 46
1895	1,223.0	1,239,953 48	117,729 01	1,122,224 47	b 307,236 69	1,429,461 16	800,000 00	—	96,212 20	896,212 20	533,248 96	—
1896	1,223.0	772,115 32	128,551 97	643,563 35	10,076 70	653,640 05	800,000 00	—	96,317 45	896,317 45	—	242,677 40
1897	1,223.0	887,658 19	121,485 44	766,172 75	3,584 17	769,756 92	800,000 00	—	92,676 30	892,676 30	—	122,919 38
1898	1,223.0	1,106,005 20	131,006 51	974,998 69	8,907 14	983,905 83	800,000 00	—	38,932 37	838,932 37	144,973 46	—
1899	1,249.8	1,653,250 36	133,494 85	1,519,755 51	c 565,054 55	2,084,810 06	809,887 50	f$180,000 00	53,082 04	1,042,969 54	1,041,840 52	—
1900	1,258.2	1,752,211 43	151,566 54	1,600,644 89	95,685 45	1,696,330 34	816,950 00	g 360,000 00	d 1,207,208 57	2,384,158 57	—	687,828 23
1901	1,275.5	2,754,282 34	155,771 20	2,598,511 14	e 852,195 27	3,450,706 41	816,950 00	h 580,000 00	i 1,799,852 36	3,196,802 36	253,904 05	—
1902	1,293.0	2,094,193 00	195,618 90	1,898,574 10	100,253 61	1,998,827 71	831,797 91	k 200,000 00	j 427,605 70	1,459,403 61	539,424 10	—
									Total		$ 3,085,581 59	$ 1,627,564 50
									Surplus June 30th, 1902 .		$ 1,458,017 09	—

Explanatory Notes.

a. Includes $329,987.02 balance of Receiver's liabilities paid, less Receiver's assets received for current fiscal year.
b. Includes $282,917.50 surplus securities received from Reorganization Committee.
c. Includes $480,597.50 net proceeds sale of $1,000,000.00 second mtg. income bond certificates (issued to provide for betterments charged against income).
d. Includes $956,088.16 transferred from "Cost of Road and Equipment" (for new equipment $930,950.92, right of way, etc., $25,137.24), representing net amount expended and charged to that account since the organization of the Company (June 1, 1891), to June 30, 1899, in excess of amount of bonds and stock issued; also $204,889.41 equipment payments for current fiscal year.
e. Includes $770,000.00 net proceeds sale of $1,000,000.00 second mtg. income bond certificates (issued to provide for betterments charged against income).
f. Interest earned (2%) on second mortgage income bond certificates during calendar year 1898.
g. Interest earned (4%) on second mortgage income bond certificates during calendar year 1899.
h. Interest earned (4%) on second mortgage income bond certificates during calendar year 1900 ($380,000.00)—paid; also interest earned (4%) during six months ended June 30, 1901 ($200,000.00)—payable January 1, 1902,
i. Includes $1,490,000.00 "General Improvement Fund" appropriation; also $258,825.21 equipment payments for current fiscal year.
j. Includes $385,412.90 equipment payments for current fiscal year.
k. Interest earned (4%) on second mortgage income bond certificates during six months ended December 31, 1901—payable July 1, 1902.

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VII.

Traffic Statistics.

For Ten Years Ended June 30th, 1902—Entire System.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of revenue tons carried.	*Freight revenue.	Number of revenue tons carried one mile.	Freight train mileage, including ¾ of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per revenue ton.	Average revenue per revenue ton per mile.	Average distance haul of one revenue ton (miles).	Average revenue per freight train mile.
1893	1,223.0	1,506,696	$3,988,319 72	329,183,200	2,180,373	$3,261 10	$2.6471	$0.0121	218.48	$1.8292
1894	1.223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2.6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2.7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2.4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2.4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932 01	358,109,737	2,169,415	3,384 25	2.3340	0.0116	201.94	1.9079
1899	1,249.8	1,887,609	4,619,985 26	380,660,588	2,103,430	3,696 58	2.4475	0.0121	201.66	2.1964
1900	1,258.2	2,101,048	4,594,855 26	412,395,505	1,962,864	3,651 93	2.1869	0.0111	196.28	2.3409
1901	1,275.5	2,399,171	5,652,872 51	468,837,265	2,210,014	4,431 89	2.3562	0.0121	195.42	2.5578
1902	1,293.0	2,586,387	5,555,726 90	514,942,815	2,193,332	4,296 77	2.1481	0.0108	199.10	2.5330

*Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VIII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	*Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including ¼ of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1893	1,223.0	842,493	$ 879,526 52	35,019,502	1,279,192	$ 719 15	$1.0440	$0.0251	41.57	$0.6876
1894	1,223.0	810,801	883,408 68	37,040,490	1,320,909	722 33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	889,304 61	36,744,040	1,378,337	727 15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121 45	37,153,691	1,477,639	698 38	1.0309	0.0230	44.84	0.5780
1899	1,249.8	899,048	910,867 27	38,373,916	1,483,845	728 81	1.0131	0.0237	42.68	0.6139
1900	1,258.2	994,503	1,013,026 96	41,908,926	1,483,203	805 14	1.0186	0.0242	42.14	0.6830
1901	1,275.5	1,281,928	1,400,712 70	57,983,590	1,619,600	1,098 17	1.0927	0.0242	45.23	0.8649
1902	1,293.0	1,236,335	1,364,434 90	58,073,255	1,637,838	1,055 25	1.1036	0.0235	46.97	0.8331

*Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

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IX.

Train and Car Mileage Statistics

For Ten Years Ended June 30th, 1902—Entire System.

FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average no. of cars in each freight train.			Average load of revenue tons.		Average no. of miles run per car per day.		
		Loaded.	Empty (includes caboose mileage).	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per loaded car.	Per train.	On this line.		On f'r'gn lines.
														Home	Fr'gn	Home
1893	2,217,705	29,867,585	11,597,124	41,464,709	19,218,982	22,245,727	9,429,001	27.97	13.47	5.23	18.70	11.02	148.43	24	23	16
1894	1,858,914	24,831,907	10,225,871	35,057,778	22,137,184	12,920,594	9,602,422	29.16	13.36	5.50	18.86	11.36	151.79	24	19	20
1895	1,940,257	26,961,086	12,023,738	38,984,824	20,221,920	18,762,904	9,930,917	30.87	13.90	6.19	20.09	11.47	159.38	24	22	18
1896	1,987,431	26,700,735	12,481,485	39,182,220	18,982,235	20,199,985	11,541,435	31.85	13.43	6.29	19.72	11.72	157.49	24	25	19
1897	2,036,992	26,959,315	13,443,936	40,403,251	19,277,984	21,125,267	11,707,875	33.27	13.23	6.60	19.83	12.07	159.73	24	26	20
1898	2,187,854	29,095,070	14,483,480	43,578,550	20,195,428	23,383,122	11,945,326	33.24	13.30	6.62	19.92	12.31	163.68	25	23	18
1899	2,121,358	30,379,865	12,716,314	43,096,179	23,261,396	19,834,783	17,254,603	29.51	14.32	5.99	20.31	12.53	179.44	25	24	21
1900	1,983,970	30,252,077	11,969,116	42,221,193	22,554,311	19,666,882	18,024,830	28.34	15.25	6.03	21.28	13.63	207.86	25	25	20
1901	2,232,690	33,305,204	14,272,742	47,577 946	23,648,824	23,929,122	15,543,503	30.00	14.92	6.39	21.31	14.08	209.99	21	22	20
1902	2,218,851	33,710,724	14,186,690	47,897,414	24,281,405	23,616,009	16,950,330	29.62	15.19	6.39	21.58	15.28	232.08	21	22	18

NOTE.—Effective July 1st, 1900, mileage of cabooses is treated as empty car mileage, in compliance with established rules of the Interstate Commerce and State Railroad Commissions. For purposes of comparison, loaded and empty car mileage, and the averages based thereon for the fiscal years ended June 30th, 1892 to 1900, inclusive, have been changed accordingly.

X.

PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average no. of cars moved in each passenger train.	Average no. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	227
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111
1899	1,465,917	5,475,881	1,121,766	6,597,647	4.29	163	110
1900	1,462,097	5,654,169	1,035,560	6,689,729	4.33	167	129
1901	1,596.924	6,501,485	1,464,417	7,965,902	4.72	175	108
1902	1,612,319	6,816,618	1,441,262	8,257,880	4.82	176	123

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Income and Financial Exhibits.

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1902.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 615,227 93		Freight	$3,516,373 49	
Maintenance of equipment	465,496 23		Passenger	714,920 45	
Conducting transportation	1,471,802 03		Mail	96,679 55	
General expenses	226,871 61	$2,779,397 80	Express	48,109 88	
			Telegraph	3,649 16	
Net earnings		1,617,784 75	Miscellaneous	17,450 02	$4,397,182 55
		$4,397,182 55			$4,397,182 55
To Accrued interest on first mortgage bonds		$ 800,000 00	By Net earnings brought down		$1,617,784 75
Accrued interest on first consolidated mortgage bonds		14,847 91	Interest on bonds owned—		
Taxes accrued		126,253 56	St. L. S-W. Ry. Co. of Texas, first mortgage, $9,445,000.00 @ 4%		377,800 00
Equipment payments		188,198 62	Tyler Southeastern Ry. Co., first mortgage, $660,000.00 @ 4%		26,400 00
Rental of leased lines—Gray's Point Terminal Ry		16,950 00	Other bonds owned—(see exhibit G, page 23)		7,635 00
Sundry amounts		20,145 46	Trackage rentals		3,960 00
Surplus income for fiscal year ended June 30th, 1902, carried to credit of profit and loss account		934,551 65	All other receipts		67,367 45
Total		$2,100,947 20	Total		$2,100,947 20

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1902.

To Interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1901		$3,504,262 76
Six months ended December 31st, 1901, full interest (4%), payable July 1st, 1902	$ 200,000 00	Surplus income from operation for fiscal year ended June 30th, 1902, brought down		934,551 65
Balance to credit of profit and loss account, June 30th, 1902	4,250,049 33	Interest received on second mortgage income bond certificates, surrendered in exchange for first consolidated mortgage bonds		11,234 92
Total	$4,450,049 33	Total		$4,450,049 33

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XII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1902.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$49,159,750 00	+$ 567,250 00
Gray's Point Terminal Ry. leasehold		339,000 00	—
Bonds and stocks owned—			
Deposited as security for issues of 1st mortgage and 2d mortgage income bond certificates—			
With Central Trust Co., Trustee:			
Capital stock, St. L. S-W. Ry. Co. of Tex. and Tyler S-E. Ry. Co.	$ 2,750,000 00	—	—
1st mtg. bonds St. L. S-W. Ry. Co. of Tex. and Tyler S-E. Ry. Co.	10,105,000 00	—	—
With Mercantile Tr. Co., Trustee:			
2d mortgage income bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	5,052,500 00	—	—
Deposited as security for issue of 1st consolidated mtg. bonds—			
With Bowling Green Trust Co., Trustee:			
2d mtg. income bond certificates, St. L. S-W. Ry. Co.	6,727,500 00	—	+ 6,727,500 00
Held in Company's Treasury: (see exhibit L, page 25)	393,539 21	—	+ 27,000 00
		$25,028,539 21	—
Other permanent investments		31,991 92	+ 39 04
Trust equipment—unpaid balance		1,632,200 41	+ 873,952 14
Current assets—			
Cash	$5,785,372 14	—	+ 3,955,668 80
Sundry accounts collectible	220,551 95	—	- 314,951 14
Sundry advances (to be accounted for)	617,465 77	—	+ 481,716 26
Prepaid insurance	6,386 25	—	+ 1,398 61
	$6,629,776 11	—	—
Supplies on hand	325,513 44	—	- 18,116 54
		6,955,289 55	—
St. Louis Southwestern Ry. Co. of Texas, general account		3,095,821 55	+ 317,574 95
Total		$86,242,592 64	+$12,619,032 12

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt—			
* 1st mortgage bonds (4%)	$20,000,000 00	—	—
1st cons'd mtg. bonds (4%)	12,054,750 00	-	+$12,054,750 00
† 2d mortgage income bonds (4%, if earned)	10,000,000 00	—	—
1st mortgage bonds (5%), Gray's Point Terminal Ry. Co. (guaranteed)	339,000 00	—	—
		42,393,750 00	—
Equipment trust obligations		1,711,335 77	+ 832,556 50
Current liabilities—			
Interest on bonds—due and accrued	$ 417,426 04	—	- 170,300 72
Sundry accounts payable	448,018 00	—	- 5,201 78
Reserve funds	522,013 50	—	- 838,558 45
		1,387,457 54	—
Balance to credit of profit and loss account, June 30th, 1902, as per detailed exhibit on preceding page		4,250,049 33	+ 745,786 57
Total		$86,242,592 64	+$12,619,032 12

*Secured by first mortgage lien on St. L. S-W. Ry., $9,895,000, first mortgage bond of St. L. S-W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S-E. Ry. Co., $660,000.

†Secured by second mortgage lien on St. L. S-W. Ry., $4,947,500, second mortgage income bond of St. L. S-W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S-E. Ry. Co., $330,000.

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XI.

ST. LOUIS SOUTHWESTERN RY. CO. — INCOME ACCOUNT. — YEAR ENDED JUNE 30TH, 1902.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 615,227 93		Freight	$3,516,373 49	
Maintenance of equipment	465,496 23		Passenger	714,920 45	
Conducting transportation	1,471,802 03		Mail	96,679 55	
General expenses	226,871 61	$2,779,397 80	Express	48,109 88	
Net earnings		**1,617,784 75**	Telegraph	3,649 16	
			Miscellaneous	17,450 02	$4,397,182 55
		$4,397,182 55			$4,397,182 55
To Accrued interest on first mortgage bonds		$ 800,000 00	By Net earnings brought down		$1,617,784 75
Accrued interest on first consolidated mortgage bonds		14,847 91	Interest on bonds owned—		
Taxes accrued		126,253 56	St. L. S-W. Ry. Co. of Texas, first mortgage, $9,445,000.00 @ 4%		377,800 00
Equipment payments		188,198 62	Tyler Southeastern Ry. Co., first mortgage, $660,000.00 @ 4%		26,400 00
Rental of leased lines—Gray's Point Terminal Ry		16,950 00	Other bonds owned—(see exhibit G, page 23)		7,635 00
Sundry amounts		20,145 46	Trackage rentals		3,960 00
Surplus income for fiscal year ended June 30th, 1902, carried to credit of profit and loss account		**934,551 65**	All other receipts		67,367 45
Total		$2,100,947 20	Total		$2,100,947 20

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1902.

To Interest earned on second mortgage income bonds:		By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1901		$3,504,262 76
Six months ended December 31st, 1901, full interest (4%), payable July 1st, 1902	$ 200,000 00	Surplus income from operation for fiscal year ended June 30th, 1902, brought down		934,551 65
Balance to credit of profit and loss account, June 30th, 1902	**4,250,049 33**	Interest received on second mortgage income bond certificates, surrendered in exchange for first consolidated mortgage bonds		11,234 92
Total	$4,450,049 33	Total		$4,450,049 33

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XII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. — JUNE 30TH, 1902.

ASSETS.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$49,159,750 00	+$ 567,250 00
Gray's Point Terminal Ry. leasehold		339,000 00	—
Bonds and stocks owned—			
Deposited as security for issues of 1st mortgage and 2d mortgage income bond certificates—			
With Central Trust Co., Trustee:			
Capital stock, St. L. S-W. Ry. Co. of Tex. and Tyler S-E. Ry. Co.	$ 2,750,000 00	—	—
1st mtg. bonds St. L. S-W. Ry. Co. of Tex. and Tyler S-E. Ry. Co.	10,105,000 00	—	—
With Mercantile Tr. Co., Trustee:			
2d mortgage income bonds, St. L. S-W. Ry. Co. of Texas and Tyler S-E. Ry. Co.	5,052,500 00	—	—
Deposited as security for issue of 1st consolidated mtg. bonds—			
With Bowling Green Trust Co., Trustee:			
2d mtg. income bond certificates, St. L. S-W. Ry. Co.	6,727,500 00	—	+ 6,727,500 00
Held in Company's Treasury: (see exhibit L, page 25)	393,539 21	—	+ 27,000 00
		$25,028,539 21	—
Other permanent investments		31,991 92	+ 39 04
Trust equipment—unpaid balance		1,632,200 41	+ 873,952 14
Current assets—			
Cash	$5,785,372 14	—	+ 3,955,668 80
Sundry accounts collectible	220,551 95	—	- 314,951 14
Sundry advances (to be accounted for)	617,465 77	—	+ 481,716 26
Prepaid insurance	6,386 25	—	+ 1,398 61
	$6,629,776 11	—	—
Supplies on hand	325,513 44	—	- 18,116 54
		6,955,289 55	—
St. Louis Southwestern Ry. Co. of Texas, general account		3,095,821 55	+ 317,574 95
Total		$86,242,592 64	+$12,619,032 12

LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Capital stock—			
Preferred	$20,000,000 00	—	—
Common	16,500,000 00	—	—
		$36,500,000 00	—
Funded debt—			
* 1st mortgage bonds (4%)	$20,000,000 00	—	—
1st cons'd mtg. bonds (4%)	12,054,750 00	—	+$12,054,750 00
† 2d mortgage income bonds (4%, if earned)	10,000,000 00	—	—
1st mortgage bonds (5%), Gray's Point Terminal Ry. Co. (guaranteed)	339,000 00	—	—
		42,393,750 00	—
Equipment trust obligations		1,711,335 77	+ 832,556 50
Current liabilities—			
Interest on bonds—due and accrued	$ 417,426 04	—	- 170,300 72
Sundry accounts payable	448,018 00	—	- 5,201 78
Reserve funds	522,013 50	—	- 838,558 45
		1,387,457 54	—
Balance to credit of profit and loss account, June 30th, 1902, as per detailed exhibit on preceding page		4,250,049 33	+ 745,786 57
Total		$86,242,592 64	+$12,619,032 12

*Secured by first mortgage lien on St. L. S-W. Ry., $9,895,000, first mortgage bond of St. L. S-W. Ry. Co. of Texas, $9,445,000, and first mortgage bond of T. S-E. Ry. Co., $660,000.

†Secured by second mortgage lien on St. L. S-W. Ry., $4,947,500, second mortgage income bond of St. L. S-W. Ry. Co. of Texas, $4,722,500, and second mortgage income bond of T. S-E. Ry. Co., $330,000.

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XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **INCOME ACCOUNT.** YEAR ENDED JUNE 30TH, 1902.

To EXPENSES—			By EARNINGS—		
Maintenance of way and structures	$ 742,704 44		Freight	$2,039,353 41	
Maintenance of equipment	354,092 16		Passenger	649,514 45	
Conducting transportation	1,164,919 17		Mail	80,097 52	
General expenses	131,953 16	$2,393,668 93	Express	47,423 49	
			Telegraph	2,707 03	
Net earnings		476,408 25	Miscellaneous	50,981 28	$2,870,077 18
		$2,870,077 18			$2,870,077 18
To Accrued interest on first mortgage bonds		$ 404,200 00	By Net earnings brought down		$ 476,408 25
Taxes accrued		69,365 34	All other receipts		10,056 24
Equipment payments		197,214 28			
Sundry amounts		22,047 34	*Deficit for fiscal year ended June 30th, 1902, carried to debit of profit and loss account*		206,362 47
Total		$ 692,826 96	Total		$ 692,826 96

NET INCOME (PROFIT AND LOSS) ACCOUNT—JUNE 30TH, 1902.

To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1901	$2,585,669 77	*By Balance to debit of profit and loss account, June 30th, 1902*	$2,792,032 24
Deficit from operation for fiscal year ended June 30th, 1902, as per foregoing statement	206,362 47		
Total	$2,792,032 24	Total	$2,792,032 24

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XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. **CONDENSED BALANCE SHEET.** JUNE 30TH, 1902.

ASSETS.		Total.	+ Increase. - Decrease. This year.	LIABILITIES.		Total.	+ Increase. - Decrease. This year.
Cost of road and equipment		$17,907,500 00	—	Capital stock—			
Trust equipment—unpaid balance		25,102 10	-$ 20,654 30	*Common		$ 2,750,000 00	—
Current assets—							
Cash	$ 96,064 42	—	- 3,424 14	Funded debt—			
Sundry accounts collectible	132,143 79	—	+ 104,329 87	*1st mortgage bonds (4%)	$10,105,000 00	—	—
Sundry advances (to be accounted for)	153,642 79	—	+ 139,774 22	*2nd mortgage income bonds (4%, if earned)	5,052,500 00	—	—
Prepaid insurance	5,927 45	—	+ 1,245 12			15,157,500 00	—
	$387,778 45	—	—				
Supplies on hand	181,753 51	—	- 101,684 83	Equipment trust obligations		25,102 10	-$ 20,654 30
		569,531 96	—				
Balance to debit of profit and loss account, June 30th, 1902, as per detailed exhibit on preceding page		2,792,032 24	+ 206,362 47	Current liabilities—			
				Sundry accounts payable	$ 252,026 92	—	+ 20,972 49
				Hospital fund	13,715 73	—	+ 8,055 27
						265,742 65	—
				St. Louis Southwestern Ry. Co., general account		3,095,821 55	+ 317,574 95
Total		$21,294,166 30	+$325,948 41	Total		$21,294,166 30	+$325,948 41

* Includes T. S-E. Ry.'s Capital liabilities assumed, viz.: Capital stock, $250,000.00; Bonds, first morgtage, $660,000.00, second mortgage, $330,000.00.

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XV.

HOSPITAL SERVICE—ENTIRE SYSTEM.

SERVICE PERFORMED.	Year ended June 30, 1902.	Year ended June 30, 1901.	Increase.	Decrease.
Patients in hospital at the beginning of year	75	42	33	—
Patients admitted during the year	2,864	1,546	1,318	—
Total	2,939	1,588	1,351	—
Number discharged	2,834	1,502	1,332	—
Number of deaths	23	11	12	—
Patients remaining in hospital at the close of year .	82	75	7	—
Total	2,939	1,588	1,351	—
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco, Commerce and Tyler	8,558	8,400	158	—
Total number of employes receiving hospital benefits	11,497	9,988	1,509	—
Per cent. of deaths to number of cases treated in hospital	0.8	0.7	0.1	—
FINANCIAL STATEMENT.				
Balance at beginning of fiscal year	$ 5,660 46	$ 1,380 71	$ 4,279 75	—
Receipts from assessments .	35,568 91	27,676 30	7,892 61	—
Total	$41,229 37	$29,057 01	$12,172 36	—
Disbursements	27,513 64	23,396 55	4,117 09	—
Balance at close of fiscal year	$13,715 73	$ 5,660 46	$ 8,055 27	—

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P. Post. Sept 21. 1901

St. Louis Southwestern Income Interest Declared.

The St. Louis Southwestern Railway directors to-day declared 2 per cent. interest, for the last half-year, or the second mortgage bonds, this interest having not only been earned and set aside in the last fiscal year, but the semi-annual interest for the second half of the year as well. At to-day's meeting, the directors reëlected the former officers. Times 2.7.02.

TO THE HOLDERS OF THE

Second Mortgage Gold Income Bond Certificates

OF THE

St. Louis Southwestern Railway Company,

Secured by the Mortgage of February 12 1891, to the Mercantile Trust Company, as Trustee.

The St. Louis Southwestern Railway Company proposes:

(1) To finance the purchase for the system of certain branch lines and securities of other companies already acquired or in process of acquisition.

(2) To provide for existing equipment obligations and for expenditures already authorized for further equipment.

(3) To make additional improvements and renewals of roadbed and property which are required to provide for increasing traffic.

(4) To provide definite resources for such further construction, acquisitions, and equipment of lines as may be found necessary in the protection or extension of tributary territory and the business of the system.

The requirements for the present purposes above indicated (Sub-divisions 1, 2, and 3,) are estimated to be in the neighborhood of $6,000,000, and it is considered that an available resource of at least $10,000,000 additional should be constituted for the future purposes specified in Sub-division 4.

The Company's First Mortgage Certificates ($20,000,000) and its Second Mortgage Income Certificates ($10,000,000) are not subject to increase, and are already outstanding in the amounts limited by the Indentures securing them.

Under the present limitation of the Company's resources for capital expenditures the purchase of needed additional equipment involves a necessary increase in the amount which is chargeable against income in determining net earnings applicable to payment of interest on the Second Mortgage Income Certificates, and construction and acquisition of new lines and property (except in the event of the merger of liens hereinafter proposed) must be financed largely upon the basis of the independent security thus produced or acquired.

Under these conditions and to the end that the Company may raise the money required for the above specified purposes, upon terms the most favorable to the Company and its security holders, it is deemed proper and in the best interest of the holders of its Second Mortgage Income Certificates to offer to said holders an opportunity to co-operate so as to enable a merger or a substantial unification of their security with that now and hereafter independently available to the Company in carrying out the foregoing purposes.

In determining the nature of the new security and the extent and character of the lien protecting the same, the action of the Directors and Stockholders must be guided by the extent of co-operation on the part of the holders of the Second Mortgage Income Certificates.

The railway company accordingly requests the holders of its Second Mortgage Income Bond Certificates to deposit their Certificates with The Mercantile Trust Company, No. 120 Broadway, New York City. The Trust Company will receive such deposits up to and including March 10th, 1902, upon the condition that all deposited Certificates may, upon direction of the Railway Company and upon advertised notice, be returned to the holders of Deposit Receipts upon surrender thereof without charge at any time before May 31st, 1902, and that if such Certificates are not then or theretofore so returned the holders of deposit receipts shall have the right, upon similar notice and upon surrender of their deposit receipts, to receive new securities or rights, or both, when and upon the conditions offered by the railway company to all depositors alike, or at their option, to sell their certificates for cash at eighty per cent. of their par value with accrued interest. The acceptance of any Certificates and the terms upon which they will be received (if at all) after March 10th, 1902, will rest exclusively in the discretion of the railway company.

Depositors will receive from the Mercantile Trust Company negotiable Deposit Receipts which shall state that they are issued upon the terms and conditions of this notice. Application will be made for the listing of the Deposit Receipts on the New York Stock Exchange.

Dated New York, February 6th, 1902.

ST. LOUIS SOUTHWESTERN RAILWAY CO.

By **EDWIN GOULD**, President.

Referring to the above notice and in accordance with the request of the holders of a large amount of the Second Mortgage Income Certificates which have already been deposited, the undersigned will receive deposits of such Certificates up to and including MARCH 10TH, 1902, on the terms and conditions of the foregoing notice of the St. Louis Southwestern Railway Company and will issue temporary receipts (exchangeable for engraved receipts when completed) against such deposits as in said notice indicated.

New York, February 6th, 1902.

THE MERCANTILE TRUST COMPANY,

By **LOUIS FITZGERALD**, President.

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Times 3/14/02.

TO THE HOLDERS OF THE

Second Mortgage Gold Income Bond Certificates

OF

St. Louis Southwestern Railway Company.

Referring to the published notice of St. Louis Southwestern Railway Company dated February 6, 1902, requesting the holders of its Second Mortgage Gold Income Bond Certificates to deposit their certificates with The Mercantile Trust Company, No. 120 Broadway, New York City, upon the condition that all deposited certificates might, upon direction of the Railway Company and upon advertised notice, be returned to the holders of Deposit Receipts at any time before May 31st, 1902, and that if such certificates were not then or theretofore so returned the holders of Deposit Receipts should have the right upon similar notice and upon surrender of their Deposit Receipts, to receive new securities or rights, or both, when and upon the conditions offered by the Railway Company to all depositors alike, or at their option to sell their certificates for cash at Eighty per cent. of their par value with accrued interest:

Further notice is hereby given that more than a majority of the outstanding Second Mortgage Gold Income Bond Certificates of the Railway Company **having been deposited** under the terms and provisions of said notice, the undersigned Railway Company has decided **to extend the time** within which deposits of said certificates in the manner and upon the terms and conditions set forth in said published notice will be received **until and including March 27th, 1902.**

Engraved deposit receipts of the Trust Company in negotiable form are now ready for delivery at the office of The Mercantile Trust Company, No. 120 Broadway, New York City, to depositors of Second Mortgage Gold Income Bond Certificates of the Railway Company in exchange for the temporary receipts of the Trust Company, and application will be made at the earliest practicable date to list the Engraved Deposit Receipts on the New York Stock Exchange.

Second Mortgage Income Bond Certificates not deposited on or before March 27th, 1902, will be received (if at all) only upon such terms and conditions as the Railway Company may prescribe.

Dated New York, March 13, 1902.

ST. LOUIS SOUTHWESTERN RAILWAY CO.

By **EDWIN GOULD, President.**

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THE NEW YORK NEWS BUREAU.
54 Broad St—Tel 3383 Broad—Fri., Mch. 21, '02—No. 52

ST. LOUIS SOUTHWESTERN.

A special meeting of the stockholders of the St. Louis Southwestern Railway Co. has been called for St. Louis on May 24 to consider the following proposals:

1. To increase the common capital stock of the company by the amount of $18,500,000, such increase to consist of 185,000 shares, of the par value of $100 each.

2. To increase the bonded indebtedness of the company by the amount of $25,000,000 by the issue of the bonds of the company to said amount for the purposes of acquiring all or any part of the outstanding second mortgage gold income bond certificates of the company and its equipment obligations and of making provision for the purchase of additional equipment and the construction or acquisition of branches and extensions of the railroad of the system and for the acquisition of the obligations and stock or any part thereof of other companies and to provide for the permanent improvement and betterment of the property of the company and to authorize the execution of a mortgage or deed of trust securing said bonds.

3. To approve and ratify the purchase by the company of the railroad and property formerly belonging to the Stuttgart & Arkansas River Railroad Co.

4. To act upon the several resolutions of the board of directors in the premises adopted at a meeting of said board held on Mch. 12 and any other matters which may properly come before the meeting.

The books for the transfer of stock, both common and preferred, will be closed for the purpose of the meeting at the close of business on Apr. 19, and will be re-opened on May 26.

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Post. Ap. 14. 1902.

TO THE HOLDERS OF

Deposit receipts of the Mercantile Trust Company,

Issued under the published notices of

St. Louis Southwestern Railway Company,

Dated February 6, 1902, and March 13, 1902:

Referring to the published notices dated February 6th, 1902, and March 13th, 1902, respectively, of St. Louis Southwestern Railway Company, addressed to the holders of its Second Mortgage Gold Income Bond Certificates, the Railway Company now announces, in view of the deposit of more than two-thirds of said certificates under the terms and provisions of said notices, that it proposes (subject to the authorization and approval of its stockholders) to create an issue of $25,000,000 of Thirty-Year Four Per Cent. Gold Bonds to finance the purchase for the system of certain branch lines and securities of other companies already acquired or in process of acquisition; to acquire and fund existing equipment obligations now outstanding, and to purchase further equipment; to make improvements and betterments upon and renewals of roadbed and property; to acquire or construct and equip extensions and branches of the railways of the system at a rate not exceeding $20,000 par value, of such bonds, for each mile of railroad so constructed or acquired, upon which the new mortgage shall become a first lien directly or by pledge of the bonds or stock representing lien and ownership; to acquire all or any part of the outstanding Second Mortgage Gold Income Bond Certificates of the company; and for other corporate purposes. The new bonds are to be secured by a mortgage (subject to existing mortgages) on all the railroads, terminals, equipment, and property owned by the company and covering as a first and only lien all bonds, stocks, and other securities and all the Second Mortgage Gold Income Bond Certificates and Equipment Obligations of the company acquired by the use of the new bonds or their proceeds, and all additions, extensions, and branches so constructed or acquired.

Holders of Deposit Receipts of The Mercantile Trust Company issued under the terms and provisions of the above-mentioned notices will be entitled, upon the due authorization of the proposed mortgage by the stockholders at a special meeting already called for that purpose, and upon the issue of the bonds secured by said mortgage prior to July 1, 1902, and upon surrender of said Deposit Receipts, to receive an amount of the new bonds equal at par to 90% of the par amount of the deposited Second Mortgage Income Bond Certificates and in addition will receive a subscription warrant in assignable form entitling the holder thereof to subscribe for $600, par value, of the additional new bonds at a price equal to 90% of their par value and interest in respect of each $1,000, par value, of said Deposit Receipts, such subscription being payable as the Railway Company may prescribe. Holders of Deposit Receipts may at the time of the surrender thereof as aforesaid sell the deposited certificates represented thereby for cash at eighty per cent. of their par value with accrued interest, such price to be payable at the office of The Mercantile Trust Company at the time of the issue of the new bonds. Interest upon the new bonds will accrue from June 1, 1902, and accrued interest upon the deposited certificates exchanged for the new bonds will be adjusted in cash to that date. Messrs. Kuhn, Loeb & Co. have formed a Syndicate which has agreed to purchase such of the new bonds as may not be subscribed by the holders of Income Certificates as well as such of said deposited certificates as the holders of Deposit Receipts therefor shall elect to sell for cash which said Certificates so purchased are to be exchanged by said Syndicate for new bonds at the rate of exchange hereinbefore stated.

All Second Mortgage Income Bond Certificates and all Equipment Obligations of the company deposited under the new mortgage are to be kept alive pending the complete acquisition of said Second Mortgage Income Bond Certificates and are to be held for the benefit and security of the holders of the new bonds.

In case the new mortgage should not be authorized and executed and the new bonds thereunder be ready for delivery to the holders of said Deposit Receipts prior to July 1, 1902, the Deposited Certificates are to be returned without charge to the holders of Deposit Receipts upon surrender thereof.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

By EDWIN GOULD, President.

New York, April 12, 1902.

Times Ap 25. 1902

St. Louis Southwestern Railway Company.

New York, April 24th, 1902.

NOTICE IS HEREBY GIVEN that the engraved Deposit Receipts of The Mercantile Trust Company representing Second Mortgage Gold Income Bond Certificates of St. Louis Southwestern Railway Company, deposited with said Trust Company under the terms of the published notice of the Railway Company dated February 6th, 1902, **have been listed on the New York Stock Exchange,** and that in order to comply with the regulations and requirements of said Exchange **holders of said Second Mortgage Income Bond Certificates** who have not heretofore deposited the same **may deposit their said certificates** with The Mercantile Trust Company **on or before May 3rd, 1902,** upon the terms and conditions mentioned in said published notice of the Railway Company dated February 6th, 1902.

ST. LOUIS SOUTHWESTERN RAILWAY CO.,

By EDWIN GOULD, President.

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Times May 27. 1902.

TO HOLDERS OF DEPOSIT RECEIPTS
Of the Mercantile Trust Company Issued
for Second Mortgage Income Bond
Certificates of

St. Louis Southwestern Railway Company:

Notice is hereby given that the new mortgage of St. Louis Southwestern Railway Company, referred to in the published notice of said Company dated April 12th, 1902, has been authorized by the Stockholders of said Company.

Under the terms of said notice holders of Deposit Receipts are entitled to receive in exchange therefor an amount of the new bonds of the Railway Company equal at par to 90% of the par amount of the Second Mortgage Income Bond Certificates represented by said Deposit Receipts, together with cash for accrued interest upon such certificates, or may sell the Certificates represented by their Deposit Receipts for cash at 80% of their par value, with accrued interest. Holders of Deposit Receipts are also entitled to receive a subscription warrant in negotiable form entitling the holder thereof to subscribe for $600, par value, of the new bonds, at a price equal to 90% of their par value and interest, in respect of each $1,000 of said Deposit Receipts.

Holders of Deposit Receipts are hereby notified to **present the same at the office of The Mercantile Trust Company, No. 120 Broadway, New York City, on or before June 4th, 1902,** and at the time of such presentation must indicate whether they elect to exchange the same for new bonds or to sell the deposited certificates represented thereby for cash as aforesaid, and the Deposit Receipts will be stamped accordingly. At the same time such holders of Deposit Receipts will receive the subscription warrants above mentioned. The new bonds issuable in exchange for the Deposit Receipts, (or interim certificates representing the same,) will be ready for delivery at the office of The Mercantile Trust Company **on and after June 16th, 1902,** to holders of Deposit Receipts who have elected to make such exchange, upon surrender of said Receipts, and at the same time holders of Deposit Receipts who have elected to sell the Certificates represented thereby will receive, upon surrender of their Deposit Rceipts, an appropriate amount in cash. Holders of subscription warrants may subscribe for the new bonds upon surrender of the warrants, at the office of The Mercantile Trust Company on or before June 16th, 1902, and the bonds so subscribed, (or interim certificates representing the same,) will be deliverable at the office of the Trust Company on and after that date. The total amount of the subscription for the new bonds, namely, $900 for each $1,000, par value thereof, with interest, is payable in cash at the time of the making of said subscription.

The right to make the subscription above mentioned will expire on June 16th, 1902, and the right to elect to sell the certificates represented by the deposit receipts will expire on June 4th, 1902.

Bond scrip, convertible in sums of $1,000 into the New bonds, but bearing no interest, will be deliverable in adjustment of fractional amounts, and holders of Deposit Receipts entitled to fractions of a bond may, at the time of the surrender of said Receipts, purchase, at the same rate, such additional amounts of bond scrip as may be necessary to entitle them to an entire bond.

Dated New York, May 26th, 1902.

St. Louis Southwestern Railway Company,
By **EDWIN GOULD**, President.

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